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25 August 1983

SOUTHEAST ASIA REPORT

No. 1330

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ADAM MALIK COMMENTS ON PLANNED VISIT BY PRESIDENT REAGAN

Jakarta KOMPAS in Indonesian 15 Jul 83 pp 1, 9

[Text] U.S. President Ronald Reagan's visit to Indonesia will have an important effect in strengthening the attitudes and relationship of the two countries, but it is even more important that Indonesian not be hesitant about asking the United States to provide direct assistance for the public economy.

This was the view expressed by former vice president Adam Malik in a meeting with a KOMPAS reporter at his home on Thursday. He said, "Assisting the government and armed forces of Indonesia obviously is important, but direct U.S. aid for the public economy is even more important as it will accelerate its development."

Adam Malik was interviewed in connection with President Reagan's planned visit to Indonesia in November. The visit is part of a working trip to several Asian countries. President Reagan will also visit Japan, South Korea, Thailand and the Philippines.

Adam Malik said that President Reagan's visit to Indonesia has important significance and is not just a stopover. It will strengthen the attitudes and relationship of the two countries, and the relationship with ASEAN. He said that America had a considerable interest in Indonesia and ASEAN and that the American president would reaffirm his stand toward the countries in this area.

Maximum Advantage

Adam Malik said that Indonesia should take maximum advantage of this visit. Indonesia must convince the United States that it is sincere in its desire for development. At the same time, it does not want to develop as a vehicle or shop for the sale of U.S. goods, but rather to improve the welfare of the people.

The understanding and assistance of the United States is needed to develop the public economy and improve public welfare, he said. Therefore, Indonesia must not be reluctant or hesitant about asking the United States for direct aid to improve the economic life of the people.

Speaking "as a member of the public or a common man," Adam Malik said that economic aid that would directly benefit the public could take many forms, for example, the increased purchase of goods made by the Indonesian people.

He said that America could increase its purchases of garments, and also of other nonoil commodities, such as coffee. He noted that there were export restrictions or quotas on a number of Indonesian commodities and that the United States could increase its imports of these goods.

The United States could directly assist the public economy by relaxing its controls and importing more Indonesian products. "This is important, particularly during the current recession," he said.

When asked if he thought such direct economic aid could be obtained, Adam Malik said, "I don't know, but we must bring the matter up."

Adam Malik said that he was still "in the dark" as to what the United States expected from President Reagan's visit. The obvious purpose of the mission is to strengthen the attitudes and relationship of the two countries, but there can also be other purposes, such as increased military or economic aid. "But the most important thing for Indonesia at the present time is direct economic aid to the people," he declared.

Western Bloc

When asked if President Reagan's visit would strengthen the perception that Indonesia leans toward the Western bloc, Adam Malik replied, "It will give no such impression." He said that the visit of a head of state was quite normal in international relations.

Asked about the perception that Indonesia already was caught up in the Western bloc, he said, "One can say that this is the case, but it is we who make the decision."

However, he admitted that "this has been our weakness for a long time." He said, "We should not carry out an active and independent policy in one direction only, but should also include the Eastern bloc. Then such charges would not be made."

"Indonesia cannot orient on one bloc unless it abandons its active and independent policy, and this has not happened. The implementation of our active and independent policy must be made more evident to demonstrate that we are not pro-West," he said.

When asked if he felt that Indonesia's active and independent policy was being carried out in only one direction, he replied, "You must ask yourself. If this was not the case then surely the charge would not be made against us."

Adam Malik said that Indonesia should improve its relations with the Eastern bloc and the PRC. He feels that the Eastern bloc and PRC have not shut themselves off, but rather, "the problem is that we are not trying." Regarding

relations with the PRC he said, "What is the objection? There is a fear of subversion, but Singapore has gone ahead, so why not Indonesia?"

With regard to the view that ASEAN is also oriented toward the West, he said, "This does not pose a problem in the case of ASEAN because it is a collective group. In any case, ASEAN is not controlled by Indonesia, since Indonesia is only one of its members."

When questioned further about the impression that ASEAN is oriented toward the West, Adam Malik said, "Grounds for the charge exist, and if they don't want the charge to be made then they must remedy the situation." When asked if there were strong grounds for this charge, he replied, "Whether or not there is a strong case to be made depends on the actualities of the situation, for example, on the extent of their relations with eastern Europe and the PRC."

Kampuchea

When asked if President Reagan's visit would be helpful in settling the conflict in Kampuchea, Adam Malik said that the U.S. role in a settlement would not be as large as the roles of the Soviet Union, PRC and Vietnam. Even so, he said, the United States can play a larger role in settling the conflict in Indochina because it supports ASEAN's proposals on establishing peace in Kampuchea. "However, support alone is not enough. The United States must convince Vietnam that America will assist the Vietnamese economy if Vietnam accepts the peace proposals for Indochina," he said.

Vietnam needs funds for development and the United States can give it what it needs. "So it is not enough to say that President Reagan's arrival in Asia and especially in Indonesia, is for ASEAN. Rather, the United States must promise to assist Vietnam if that country accepts the peace proposals," Adam Malik said.

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CSO: 4213/527

OBSERVERS COMMENT ON PRESIDENT REAGAN'S PLANNED VISIT

Jakarta KOMPAS in Indonesian 18 Jul 83 pp 1, 9

[Text] The visit of U.S. President Ronald Reagan to South Korea, Japan and three ASEAN countries (Indonesia, Thailand and the Philippines) in November is both serious and important, and it should be viewed within the wider context of U.S. foreign policy.

This was the opinion expressed by Jusuf Wanandi, SH, the exexecutive director of the CSIS (Center for Strategic and International Studies), in an interview with a KOMPAS reporter on Friday. Wanandi noted that, "Reagan has a background of interest in the Pacific, since he is from California. And when he was governor of California he toured the Pacific area and visited Indonesia."

Reagan is interested in Pacific Asia and Asia in general, and this interest has been reflected in U.S. foreign policy since he became president. Reagan recognizes that the Pacific area is becoming increasingly important both on the international scene and for the United States itself, he said.

Wanandi said that the reason for this is the very rapid economic development that is taking place in the Pacific area. During the last 3 years the Pacific area has become the leading trading partner of the United States after Canada, and it has already overtaken the Atlantic nations. Most of the trade is with Japan, followed by other countries and the ASEAN members.

Special Reasons

Wanandi said that the visit indicated that a subtle shift was taking place in Reagan's policy toward Pacific Asia, and that there were special reasons for this. He said that during the Carter presidency, and even during Nixon's time, Japan received most of the attention, followed by the PRC. At that time the United States felt that China was important as a strategic counterweight to the Soviet Union.

However, the situation began to change after Reagan became president. China does not want to assume the role envisioned for it but prefers to remain equidistant from both the Soviet Union and the United States. Thus, China has begun negotiations with the Soviet Union and in many matters does not want to identify itself with the West or the United States. China prefers to identify itself as a member of the Third World.

In addition, Reagan is a staunch anticommunist. He is uncomfortable about maintaining relations with communist nations, including China, even though China might be used to balance the Soviets in Asia.

A third factor is found in the fact that many Americans no longer see China as a romantic ideal. They once looked on China as a wonderful country, but after China opened its door and there was an extended period of contact they discovered that human rights in China, the Chinese economy, and doing business in China are not what they envisaged.

Ordinary Friend

He said that for these reasons the United States now looks on China as no more than an ordinary friend, even though the United States may have once considered China to be a strategic friend--but not an ally--that could be used to balance the Soviet Union.

Wanandi said that the United States, having redefined its relations with China, wants to improve its relations with its other friends and allies in Pacific Asia. When the United States was too close to China, problems were encountered in its relations with Korea, with ASEAN members, and sometimes with Japan. These countries feel that it is not just the Soviet Union that is a threat, but that China is also dangerous.

According to Wanandi, the United States will develop a more proportional and strategic relationship with Japan. Japan has formidable economic strength, and both the United States and Japan are capitalist countries and adhere to the free market system. Also, both countries are legally bound to one another by pacts.

South Korea and ASEAN are a traditional ally and friend of the United States. Relations with these countries, which were somewhat impaired by U.S. contacts with China, will have to be strengthened.

The nations to be visited by the U.S. president, and especially Indonesia and the other ASEAN members, recognize that the United States is a superpower and therefore that good relations with the United States are necessary and inevitable.

"A visit of this type will at least help the United States, and President Reagan in particular, become better acquainted with our aspirations," Wanandi said. It is an opportunity to provide the United States with more feedback on our relations and the fact that military aspects of this relationship are receiving the most emphasis at the present time. The visit will give President Reagan a better understanding of Indonesia's view that more importance should be attached to the political and economic aspects of the relationship, he said.

The CSIS director quoted a remark made by President Suharto when he visited the United States last year: "Indonesia does not want to beg, but it does want to develop a relationship that is more firmly based on the principle of justice." Wanandi observed that, "It seems the United States must begin to think and move in this direction."

Wanandi said that the visit also would give Indonesia an opportunity to reaffirm matters of importance in bilateral relations and to provide the United States with its views and feedback on regional and international relations and global problems.

He said that the North-South dialog was a global problem and that it involved many difficult points. For example, at the last UNCTAD meeting in Belgrade there were very many things that could not be accomplished because of the position taken by the United States. "We must explain this in a way that will give President Reagan a better understanding of our situation and so he will know more about the Third World and its interests," Wanandi said. In this connection, political and economic considerations are far more important than security considerations, he added.

With regard to bilateral relations, Indonesia should brief President Reagan on the archipelago concept and on problems that affect the trade in commodities. Using tin as an example, Wanandi said that the United States had large tin reserves and disregarded the interests of others in this area. And with regard to problems affecting international financial institutions, he said that the United States should continue its assistance to the IMF and World Bank. He noted that government-to-government economic aid was important to developing nations, such as Indonesia, because they used it to build their infrastructure.

"All of these things must be explained to Reagan because the involvement of the private sector alone, which the Reagan government desires, is not enough to get the job done," he said.

Kampuchean Settlement

Asked if the visit would have an influence on efforts to settle the Kampuchean problem, Wanandi said, "There is no need to expect that the United States will make any great change in its position on the problem of Kampuchea." First, because the United States still is sensitive about the Vietnam war and its outcome, and second, because the United States has more numerous and more important problems in the Middle East and in South and Central America.

Wanandi said that this area does not receive the daily attention of President Reagan because of the importance of problems in other areas. However, since he will be in this area we can expect that he will be able to concentrate his attention more fully on the area, and then when the time comes that he must make a decision he will have a better understanding of the problems here.

"That is, providing they are firm in their support of ASEAN and do not fluctuate between supporting the PRC and supporting ASEAN," he added.

Symbol of New Era

Dr Burhan Magenda, a faculty member of the school of social science at the University of Indonesia, would like the American government and people to show appreciation for and give special attention to Indonesia, particularly to Indonesia's economy and commerce. He told a KOMPAS reporter that, "The visit of President Ronald Reagan is a symbol of a new era in U.S. foreign policy."

He feels that the United States has a great interest in Indonesia because our country is the largest noncommunist nation in this area. The United States also is interested in maintaining stability in Southeast Asia, an area that is experiencing a period of rapid growth.

In the eyes of America, ASEAN occupies an important position in the area, and Indonesia, as the leading power in Southeast Asia, occupies a decisive position. And within the framework of U.S. global policy, America is convinced of ASEAN's value as a reliable regional force.

On this basis Magenda believes that the United States should show more appreciation for the aspirations of ASEAN members and that ASEAN should not be used simply as an instrument in global politics.

Thus, the United States should more actively increase its role in the area by assisting the economy of Southeast Asia, and in the case of Indonesia it should further develop the framework of good relations by giving special attention to Indonesia's economy and commerce.

Open the Door

Magenda, who specializes in the politics of Southeast Asia, feels that the trade relations between the United States and Indonesia have been relatively good but should continue to be improved. "The United States should more widely open the door to the traditional goods produced by Indonesia," he said.

He noted that there are imperfections in the trade relations of the two countries and said that in order to rectify this problem the United States should relax its protectionist policy and provide greater opportunities for the import of Indonesian commodities.

By way of illustration he said that in 1981 crude oil and oil byproducts made up 84 percent of Indonesia's exports to the United States and commodities only 16 percent. And trade with the United States accounted for only 16.5 percent of all of Indonesia's foreign trade in 1981. He also said that compared to the 1970s there had been an overall decline in the percentage of U.S. imports from Indonesia.

He mentioned tin as a persistent problem in the trade relations between the two countries. Indonesia, as a tin producer, is severely damaged when the United States places its tin reserves on the market. The United States also refused to sign the sixth international tin agreement in Geneva because it did not approve of the quotas that were established for buffer stock.

Another problem is found in the U.S. attitude toward the General System of Preferences (GSP), a system established by UNCTAD to reduce import duties on goods exported by developing countries to industrial countries.

In fact, America does not provide preferential treatment to Indonesian exports to the United States. Taking plywood as an example, he said that in 1981 exports valued at \$28 million were not handled under the GSP but were subject to import duties of 14 percent.

Magenda said that with President Reagan's visit, there is great hope that the United States will show more understanding of Indonesia's aspirations. While Indonesia itself hopes that the basic theme of the visit will emphasize economic and commercial cooperation.

Large Role

Magenda believes that the United States will play a large role, a role even larger than that of the Soviet Union, in the settlement of the Indochina conflict. America has established diplomatic relations with the PRC and thus can exert its influence in a settlement of the conflict, he said. While Vietnam has grounds for continuing its activity in Cambodia, since it feels threatened by the PRC.

America also has a "moral obligation" to assist Vietnam with its development. Vietnam needs U.S. aid since it is clear that not much can be expected from its allies in the CMEA.

Thus, he said, the United States has a great opportunity to assist Vietnam and settle the conflict in Indochina, and if this can be done it will have a significant effect in increasing political stability in the area.

Still Consistent

When asked to comment on the view that Indonesia has been caught up in the Western bloc, Magenda said that he did not agree. "We are still consistent in our support of an active and independent policy," he declared.

He said that an active and independent policy must be "flexibly" interpreted, noting that while Indonesia accepts economic and military aid from the West it has never been bound to any one bloc.

He recognizes that Indonesia is part of an international economic system whose course is largely determined by the nations of the West. "However, we are not caught up in the Western bloc but rather are oriented toward it," he said. He feels that the term "caught up" implies that we are unable to do anything individually and must accept the dictates of the West. The term "oriented" is more appropriate, he said, because Indonesia, unlike Brazil for example, is still able to make its own decisions.

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CSO: 4213/528

ALKATIRI SEEKS PORTUGUESE INTERVENTION IN FRETILIN-INDONESIAN TALKS

Luanda JORNAL DE ANGOLA in Portuguese 17 Jul 83 p 14

[Text] East Timor--The FRETILIN foreign relations minister, Mari Alkatiri told ANOP (Portuguese Press Agency) Friday in Bissau that "Portugal has an indispensable and irreplaceable role to play" in the search for a solution to the East Timor problem. Now that there is a cease fire between FRETILIN and Indonesia, Portugal should abandon its passive role and be more active, taking advantage of the present situation and not allowing the war to start again, which would only snuff lives and cause bloodshed, said Alkatiri.

Meanwhile, Alkatiri left Bissau after 2 days of meetings with the Guinean officials from whom he said he received "total support, sympathy and solidarity with FRETILIN and the movement for the independence of East Timor."

"There are concrete conditions for the five sister Portuguese speaking African countries to act upon the East Timor case as a group, be they where they may," added the FRETILIN leader, who is presently on a tour of the capitals of Cape Verde, Guinea-Bissau, Angola, Sao Tome and Principe, and Mozambique.

Reaffirming the positions recently defined by his liberation movement, the foreign relations minister demanded that the solution to the East Timor problem be found within the United Nations; that Indonesia withdraw all its troops; that a transitional government be installed under the responsibility of the UN; and that the countries of the Southeast Asian and Portugal participate in the negotiations.

Vietnam, China and Australia were added to the group of countries from the East Timor geographic area which are familiar with the problem of the Maubere independence. Alkatiri maintained that the "only possible solution has to be a political one, and it must contribute to peace and stability in the region."

Upon demanding the "intervention of Portugal in the talks between FRETILIN and Indonesia," Alkatiri pointed out that "FRETILIN is convinced it is carrying out the requests of all the Portuguese people."

He felt that "the Indonesian attitude of abandoning the battle and looking for a course to talks to obtain a fair solution for the East Timor problem was courageous and should be recognized."

He also pointed out that "the present situation in East Timor is excellent for the international community to reassume its responsibilities."

Regarding his talks with the president of Guinea-Bissau and other leaders of the PAIGC and the Guinean Government, Alkatiri affirmed that "attempts and efforts" were made to "find concrete measures and tactics to advance the present stage of the struggle" for the independence of East Timor.

The cease fire presently being respected in the Maubere territory was agreed upon, according to Alkatiri, during the series of meetings held between FRETILIN and Indonesian leaders between 21 and 23 March of this year "at the request of the authorities of Djakarta."

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CSO: 3442/306

PROCUREMENT CONTROLS RESULT IN SAVINGS OF RP 1 TRILLION

Jakarta KOMPAS in Indonesian 14 Jul 83 pp 1, 12

[Text] A savings in state expenditures of more than Rp 1 trillion was effected between mid-1980 and May 1983 as a result of the formation of the Control Team for the Procurement of Government Material and Equipment (Tim Pengendali Pengadaan Barang/Peralatan Pemerintah). Formation of the control team was authorized in Presidential Directive No 10 of 1980.

Data obtained by KOMPAS indicate that the value of the items to be procured was originally put at more than Rp 17.5 trillion, however, actual expenditures for the items came to only Rp 16.5 trillion. Contrary to original assumptions, more than one-half (55 percent) of this amount has been used for the procurement of services, and the remainder for the procurement of goods.

The formation of the control team has resulted not only in a reduction in expenditures, but also in an increase in the use of domestic products and an increase in the growth of types of domestic industries that supply the government with material and equipment.

For example, it had been planned to import all goods that would be used in projects under the emergency program until it was found that some locally produced goods could be used in the projects. Even so, 60 percent of the Rp 16.5 trillion was used for imports and only 40 percent for domestic goods. The control team will continue to promote the use of domestic products.

The team was established to control the procurement of government material and equipment valued at more than Rp 500 million. Government departments, non-departmental government agencies, Pertamina, state-owned enterprises, and the governments of first- and second-level regions formerly handled their own procurement needs, but now they must go through the control team.

When foreign exchange reserves reached a figure of \$8 billion in 1980 it was decided to set up an emergency program to meet the needs of the government. In implementing this program it was found that economies could be effected and also that the use of domestic products and the growth of domestic industries could be increased. This led to the issuance of Presidential Directive No 10 of 1980 and the formation of the control team. Presidential Directive No 14A of 1980 authorizes the team's involvement in the counterpurchase trade.

The State Secretariat also functions as a central procurement point but its authority is limited to motor vehicles, office equipment and nonmilitary firearms, with electronic equipment to be added at a later date. Even so, the procurement orders of the State Secretariat must also be processed by the control team.

Procurement Procedure

Engr Drs Ginandjar Kartasasmita, the deputy head of the control team, explained to KOMPAS reporters the procedures followed in procuring material and equipment for the government. He admitted that the formation of the control team added another link to the purchasing chain but noted that the only purpose of the team was to promote economy in government.

Government institutions that invite tenders, designate contractors, or place reorders must go through the control team if the amount involved is more than Rp 500 million, he said. The funds to be used must be available in their budgets or they can also come from project disbursement schedules, foreign aid, other financial sources of the state, or the budgets of regional governments.

The control team studies and evaluates the report it receives from the government institution, taking into account the level of conformance with technical specifications, the suitability of the offered price, source of funds, use of domestic products, feasibility of applying counterpurchase conditions, possible participation of cooperatives or of firms in the weak economic group, and other considerations.

The Board for the Study and Application of Technology, Indonesian Science Foundation, Department of Industry, Capital Investment Coordination Board, Department of Finance, Department of Commerce, Bank Indonesia and/or other organizations study the technical aspects involved.

Price studies are carried out by comparing quoted prices with the prices of goods and services procured earlier, prices for similar goods purchased by other government agencies, differences in quoted prices, prices on foreign markets, and by calculating the price structure.

The control team's decision is forwarded to the government agency that is administering the project. In this decision the control team may approve the agency's designation of a contractor or successful bidder, or it may offer recommendations and advice to the agency. If the control team approves the agency's designation of a contractor or successful bidder, the agency will issue an announcement naming the party concerned.

When a contractor has been approved by the control team, the agency administering the project must take two actions. First, a contract must be drawn up between the agency and the contractor. In certain cases the control team will review the contract before it is signed.

The second action involves the project-monitoring function of the control team. When physical implementation of the project gets underway, the control team monitors the projects for work delays, work speedups, additional work required, etcetera. Problems discovered during the monitoring process are discussed by the administering agency and control team to reach decisions on the best solutions to the problems.

Economization

Ginandjar Kartasasmita, who is also junior minister for promoting the increased use of domestic products, said that economization is achieved because the control team tries to hold costs to a minimum without affecting quality.

For example, when a government agency submits a project involving for aid to the control team for approval, the team examines the conditions of the aid. That is, it studies the cost of the project and the terms of the loan.

There may or may not be a relationship between project costs and loan terms. Costs can be low and loan terms stringent, or conversely, costs can be high and loan terms easy. "We are looking for low prices and easy terms," Ginandjar said.

The junior minister noted that recently there has been a move to promote the use of export credit, rather than foreign aid, to pay for imports. The cost of export credit is midway between the cost of commercial loans and the cost of soft loans, and export credit has no strings attached.

The validity of quoted prices can be determined in a number of ways. For example, if a standard price has been established and recorded for a given commodity, then the quoted price can be compared against the standard price. Or if a standard price has not been recorded, then the quoted price can be compared against the price on foreign markets.

Rails provide an example. Since the State Railway Company is the sole purchaser of rails, the quoted price can be compared against the price formerly paid by the company for rails. If the price has increased by 50 percent then something is wrong. The price on the metals market in London can also be used for comparison.

The control team also calculates the cost of manufacturing various types of products. If costs are too high the team will ask for an explanation. For example, for several years there was a steady increase in the price of pesticides manufactured by a local plant, even though the production process did not require a large amount of machinery. Yet during the last 3 years there has been no increase in the price of pesticides.

"We told the plant owner that imported pesticides were priced lower than the local product and that the government would import pesticides if his prices remained too high. He finally agreed to lower his prices," Ginandjar said. Before making a "threat" of this type, the control team always makes calculations to ensure that the manufacturer does not suffer a loss and that his profits are not too large.

Tenders

The control team has abandoned the system formerly used in selecting the successful bidder. Formerly, when tenders were invited for a project the job was awarded to the contractor whose bid was in the median range, neither the highest or the lowest. For example, if six contractors bid on a job the job would be awarded to one of the four contractors whose bids were in the median range rather than to the contractor who submitted the highest bid or the lowest bid. Sometimes the job was awarded to the contractor whose bid was close to the average for all bids.

Now a different system is used. The control team now selects the contractor who submits the lowest responsible bid. The team examines the bids to determine the lowest bidder, but if it is not convinced that this is a responsible bid the job will be awarded to the second lowest bidder.

"If the lowest bidder meets the requirements there is no reason why the job should not be awarded to him," Ginandjar said. He mentioned a case involving the construction of a waterworks in Bandung. Guntur Sukarnoputra had bid on the job but almost missed getting it because he submitted the lowest bid. When he was questioned he said that he was able to submit a low bid because he had just completed a similar job in Bandung and would not have to bring in equipment. After the facts were checked the job was awarded to Guntur.

The junior minister said that a low price alone is not grounds for suspicion. For example, cement is normally priced at more than Rp 2,000 a sack, but a contractor may be able to offer it at less than Rp 2,000 a sack if he has a large amount of cement in stock. Also, if the price quoted for sand or gravel seems too low it may be because the contractor has his own sand or gravel concession.

"However, if a bid is low because manipulation is involved, then this will certainly come to light," the junior minister said. He said that if the bidder is the son of a high-placed official and if manipulation is involved, then the capabilities of the bidder will be ascertained. This does not mean that business will not be done with the children of high-placed officials, but if business is done with them it will be on the basis of their own capabilities, he said.

Economization can also be achieved in the designation of contractors. For example, Pertamina designated Fluor and Bechtel as the contractors for the construction of oil refineries at Cilacap and Balikpapan on the grounds that both were experienced and had had a lengthy relationship with Pertamina.

The control team approved of the contractors but not of the prices that were quoted. When the two projects were offered to contractors in Japan the bids received for each project were \$200 million less than the bids made by Fluor and Bechtel. Fluor and Bechtel were informed that they would be awarded the projects if they each reduced their bids by \$200 million, and if not, then the jobs would be awarded to contractors who were willing to do the work for this amount.

"They finally agreed to these terms, which means that the government saved \$400 million or about Rp 392 billion," Ginandjar said. Similar situations have occurred in the case of many other projects. In one case several wharves were

to be built by a contractor designated by the agency administering the project. The control team informed the agency that it would approve the designated contractor providing its studies showed that the price was feasible and was also comparable to that quoted by other contractors who were willing to do the work.

According to Need

The control team does not like to change technical specifications, and it can make recommendations if it feels that the specifications exceed requirements. For example, if a four-passenger automobile is needed for trips to Bandung it is not necessary to purchase a Mercedes. A Corolla is sufficient, or a Peugeot 606 if power steering is needed. This is the procedure that should be followed, beginning with the least expensive model.

A concrete example can be found in the steel pipe needed to transport oil from the refinery in Cilacap. Pertamina had requested unwelded pipe, but at the same time the Bakrie family was producing welded pipe in a local plant. Studies conducted by the control team and the Board for the Study and Application of Technology showed that the requirements could be met by welded pipe, and it was agreed that the domestic product would be used. "If the technical specifications are too high we will recommend that they be reduced, particularly if domestic products are involved," Ginandjar said.

The junior minister gave several examples of the efforts that are being made to promote the growth of local industry. Water meters originally had to be imported but now they can be produced in Indonesia. And in the case of heavy equipment, the government will select a manufacturer who plans to open a factory in Indonesia. The same approach will be used in the purchase of typewriters. The offer to tender will include the condition that the successful bidder must be prepared to produce typewriters in Indonesia.

"In the case of typewriters, in the initial phase we will purchase 24,000 units from a manufacturer who is prepared to invest his capital in Indonesia. We don't want to import typewriters," Ginandjar said.

Economization can also be achieved through centralized purchasing. A Toyota Corolla priced at Rp 10 million can be obtained for Rp 7 million through centralized purchasing.

The junior minister said that the control team discusses 20 to 40 projects a day. A team meeting is held on Thursday of each week. The time required to reach agreement on a project varies with the size of the project. Agreement can be reached in 1 week, or it may take more than 2 months.

Examples of Savings

A savings of Rp 14 billion was achieved in the purchase of pesticides for the 1982/83 and 1983 planting seasons. The pesticides were originally offered at a price of Rp 128 billion. Fertilizer for 1982/83 was purchased at a savings of Rp 28 billion. It was originally offered at Rp 152 billion.

Trailers for hauling sugar cane were offered at Rp 21.9 billion but purchased for Rp 8.6 billion less than that amount. Savings of Rp 7 billion were achieved in purchasing a digital telephone system originally offered at a price of Rp 50 billion.

Savings of \$200 million, or about 20 percent, were achieved for the oil refineries at Balikpapan and Cilacap respectively. Pipe for Total Indonesia was priced at \$27.5 million but obtained for \$16.7 million.

Savings of Rp 1 billion were achieved in connection with the Cirata project. The Cirata reservoir project in West Java is being financed by the World Bank and the price cannot be reduced. However, the control team succeeded in effecting a reduction by requiring the contractor to deposit the excess amounts received in payment with the Directorate General of the Budget.

Savings have also been realized on goods that were being imported but are now being produced in Indonesia. For example, 400 freight cars obtained under a Japanese export credit were to be imported in finished form. Instead the cars must be shipped semifinished or be assembled by PT Inka in Madiun.

Pusri fertilizer warehouses were to have been built by Canada at a cost of Rp 4.5 billion, but the project has been transferred to Boma Bisma Indra and will cost only Rp 3.1 billion.

The World Bank financed asphalt mixing plants costing \$3.5 million for the Directorate General of Road Construction. Originally, 19 units were to be purchased from Japan, but then it was decided that some of the units could be produced here. Eventually, 9 units were produced in Indonesia and 11 units were imported.

Team Management

The control team is headed by Minister and State Secretary Sudharmono, SH. The deputy heads are Minister for Administrative Reform and Deputy Chairman of Bappenas Dr Saleh Afiff, and Junior Minister for Promoting the Increased Use of Domestic Products Engr Drs Ginandjar Kartasasmita. The junior minister is also in charge of the day-to-day operations of the control team.

Members of the control team include Dr Arifin Siregar, the governor of Bank Indonesia; Jusuf Ramli, the director general of the budget in the Department of Finance; Engr Eman Yogsara, the director general of basic metal industries; Dr Suhadi Mangkusuwono, the director general of foreign trade; and Engr Suhartoyo, the chairman of the Capital Investment Coordination Board.

Other members include the minister and state secretary's assistant for the administration of government and nondepartmental government agencies, the deputy chairman of Bappenas for the economic sector, and the assistant for the supervision of development under the coordinating minister for economic, financial and industrial affairs and the supervision of development.

The secretary of the minister and state secretary also acts as the secretary of the control team, and the secretary of the junior minister for promoting the increased use of domestic products acts as the team's deputy secretary.

SOUTH KOREA INCREASING ITS COAL PURCHASES

Jakarta KOMPAS in Indonesian 14 Jul 83 p 2

[Text] South Korea is increasing its 1983 imports of coal from the Ombilin mine in West Sumatra to meet its energy needs. It has imported 16,000 tons to date and has contracted for another 20,000 tons, which will be shipped in coming months.

This information was provided to a KOMPAS reporter in Jakarta on Monday by the head of the public relations division of PN Batubara (State Coal Company), H.A. Sazili.

Coal imports by South Korea are up over 1982, when the country only imported 7,000 tons from Indonesia.

South Korea needs a great deal of coal to provide gas to urban areas, since the government has banned the use of firewood and charcoal.

The country produces anthracite coal, but not in sufficient quantities to meet the ever-increasing domestic need. It has imported coal since 1978, and in 1981 imports totalled some 4.3 million tons.

Other Countries

Several other Asian countries have stated that they will purchase steam coal from Ombilin, although no specific amounts have been mentioned.

Thailand, Malaysia and Bangladesh have expressed an interest in Indonesian coal, according to Sazili. Although no definite figures have been mentioned, he is convinced that the amounts involved will be greater than last year. "A good picture of coal exports is beginning to develop," he said.

In 1982 a total of 103,884 tons of coal was exported from Ombilin. This figure is more than one-third of the 302,571 tons of steam coal produced by Ombilin last year.

Most of the coal produced is used to meet domestic requirements. Last year the State Railway Company used 5,161 tons, the Padang Cement Company (Semen Padang) used 123,848 tons, private companies in Indonesia used 4,738 tons, PT Inco used 3,060 tons and PT Aneka Tambang used 5,959 tons.

Increased Production

PN Batubara plans to increase production at the Ombilin mine to 350,000 tons a year in order to meet foreign and domestic demand in 1983. This coal will come from the Ombilin I project. According to plan, Ombilin I production will be increased in stages to an annual production figure of about 750,000 tons in 1985.

Early in June the executive director of PN Batubara, Engr Achmad Prijono, described the Ombilin project as a crash program and said that about \$129 million was invested in it. The Ombilin project has three component parts, and each will be developed in stages.

Development of the Ombilin II project will begin after the Ombilin I project has been upgraded. It is estimated that Ombilin II will be able to produce about 600,000 tons of coal a year from mine shafts that are 500 to 600 meters below ground level.

Work will then begin on the Ombilin III project. This will involve detailed exploration, preliminary studies and the development of the Sugar-Sigalut area. The area is believed to contain useful reserves. West Germany is interested in developing this area jointly with PN Batubara, and discussions on this subject will be continued.

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CSO: 4213/527

TWO PRODUCTION-SHARING OIL CONTRACTS SIGNED

Jakarta KOMPAS in Indonesian 9 Jul 83 p 2

[Text] Foreign contractors have such confidence in Indonesia that they are sure that, together with Pertamina, they will be able to continue with oil activity in this country in the future. Although there is dismay in other countries, there will be none here.

These were the statements of Prof Soebroto, minister of mining and energy, after witnessing the signing of production-sharing contracts between Pertamina and two contractors, namely, Elf Aquitaine Indonesie Melawi and Total Ouest Kalimantan, in Jakarta on 8 July. Signatures were affixed by Drs Joedo Sumbono (chief director of Pertamina), Jean Le Breton (managing director of Elf Aquitaine Indonesie Melawi), and George Jean Louis (financial manager of Total Ouest Kalimantan).

According to the minister, their confidence is based upon the fact that the world economy is improving in 1983, affording assurance that oil will continue to be used. From one aspect, he is concerned about the actions of non-OPEC nations, who raised production from about 25.6 million barrels per day in the second quarter of this year to 26.1 million barrels during the third quarter. "It is lucky that this was not accompanied by reduction in prices. On the contrary, the Soviet Union and Egypt have raised their prices again since 1 June," he stated.

Soebroto evaluated this increased oil production as sensitive and capable of affecting the world economy. For that reason, OPEC has decided to maintain a production quota of 17.5 million barrels per day until the end of 1983. OPEC production at present is only about 16.5 million barrels per day, moving toward 17 million.

In reply to a question about the possibility that Nigeria will raise its production again, Soebroto said, "Nigeria also will continue to limit its production to 1.3 million barrels per day."

Seventy-eight Areas

The minister said that in Indonesia there are now 78 oil areas being handled by foreign contractors. The two contractors who just signed production-sharing contracts with Pertamina for West Kalimantan are companies that have long worked in Indonesia. With the signing of these two contracts, there are now in effect 64 production sharing contracts, consisting of 11 joint operation contracts, three work contracts, and two technical assistance contracts.

In an exchange of views with parliament's Commission VI in Jakarta on 28 June, Ir [engineer] Wijarso, director general for oil and gas, revealed that these contracts have been made with only 43 companies, since some of them have more than one contract.

In 1982, a total of 49 exploratory drillings were performed, of which 7 found oil and gas, 5 found oil, and 33 were dry. Of the nine companies which signed contracts in 1982, eight have conducted seismic exploration and three have performed exploratory drilling. Seismic surveys covered 22,431.91 km. Exploratory drillings by three contractors have resulted in six exploration wells, of which two contain oil and gas, one contains gas, and three are dry. In 1982, there were also 13 companies which signed new production-sharing contracts with Pertamina to carry on oil activity in Indonesia.

New Areas

The two companies which signed new production-sharing contracts with Pertamina are obtaining new areas in West Kalimantan. These areas have never been explored by foreign contractors or Pertamina.

"The desire to work those areas did not arise until after Pertamina and several contractors made a joint preliminary exploration in West Kalimantan. It was only after completion of the survey that tenders were made, and these companies now signing contracts were the first to do so," said Ir J. D. Zahar, chief of BKKA [foreign contractor coordination board].

Elf Aquitaine Indonesie Malawi has been assigned an area covering 8,920 sq km in the East Melawi mainland area of West Kalimantan, while Total Ouest Kalimantan has been given an area of 13,295 sq km in the West Malawi mainland area. The contracts signed on 8 July provide for production sharing between Pertamina and the contractors at 85 and 15 percent for oil and 70 and 30 percent for natural gas (free of taxes).

Costs and production are to be divided equally between Elf Aquitaine Indonesie Melawi and Pertamina. For that reason, the first distribution will be at 30 and 70 percent. After that, the contractor's share will be divided, to become 85 and 15 percent for crude oil and 70 and 30 percent for natural gas, after subtracting costs and applicable oil incentives. Pertamina also holds options to sell no less than 65 percent of Elf Aquitane production.

The assigned areas will be returned gradually so that no more than 20 percent of the original area will be held by Total Ouest Kalimantan after 8 years and by Elf Aquitane after 6 years.

During the first 3 years of the contract, Elf Aquitane will spend no less than \$25 million for exploration. In the next 3 years, Pertamina and Elf Aquitane will spend an additional \$29 million for exploration. Total Ouest Kalimantan will spend no less than \$48.5 million for exploration during the first eight years of the contract.

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PROVISIONS OF PRODUCTION-SHARING OIL CONTRACTS ANNOUNCED

Jakarta HARIAN UMUM AB in Indonesian 9 Jul 83 pp 1, 11

[Text] International oil trade is sluggish, and activity is declining in a number of countries, but in Indonesia there has been no reduction in exploration. In fact, seismic surveys during the first 6 months of 1983 increased 34 percent over the same period a year ago.

Minister of Mining and Energy Soebroto revealed these facts at the Department of Mining and Energy on 8 July on the occasion of the signing of production-sharing contracts by Pertamina with two foreign companies. These were Elf Aquitaine Indonesia Melawi and Total Ouest Kalimantan.

Elf Aquitaine Indonesia will work a territory covering 8,290 sq km in the East Melawi mainland area of West Kalimantan, and Total Ouest Kalimantan will have 13,295 sq km in the West Melawi area of West Kalimantan.

Soebroto said that the drilling of exploratory wells during the first 6 months of this year increased 28 percent over the same period last year.

"This indicates that contractor confidence in Indonesian energy sources is still strong," he stated.

The minister revealed that, with the signing of these two contracts, there are now 62 oil production-sharing contracts in effect. There are 11 joint production contracts, three work contracts, and two technical assistance contracts. The contracts provide for work in 78 areas.

Soebroto stated that, based upon Indonesia's national oil policy, exploration is being carried on continuously in order to gather complete data on oil potential in this country.

The minister said that there is still talk of a flood of oil on the international market, but it is expected that demand for oil

will exceed supply in the medium term. This indicates that exploration and exploitation will remain profitable for the foreseeable future.

Those signing the contracts were chief director of Elf Aquitaine Indonesia Jean Le Breton, financial manager of Total Ouest Kalimantan George Jean Louis, chief director of Pertamina Joedo Sumbono, and Minister Soebroto.

Provisions

The two contracts fulfilled government requirements for production-sharing contracts, as follows:

All exploration costs and production investment are to be borne by the contractor.

The contractor will recover all investment and operations costs from production. The sharing of production between Indonesia and the contractor will be 85/15 for oil and 70/30 for natural gas, free from taxes.

Specifically for Elf Aquitaine Indonesia Melawi, production and costs will be divided in two between Pertamina and the contractor (30/70). The contractor's share will then be divided again in accordance with the production-sharing contract (85/15 for crude oil, and 30/70 for natural gas, after subtracting costs and adding incentives in effect for oil).

If oil is found in commercial quantities, the contractor will give 10 percent of its share to an Indonesian company to be appointed by Pertamina.

If production by Elf Aquitaine Indonesia should exceed 150,000 barrels per day or production by Total Ouest Kalimantan should exceed 175,000 barrels per day, the contractor will allow 28.57 percent of its share to be processed in Indonesia and will set up a refinery or petrochemical plant if existing processing facilities are inadequate.

The contractor will be required to make oil available for domestic fuel oil on a proportional basis, at \$0.20 per barrel, after 5 years of production.

Elf Aquitaine Indonesia Melawi will spend \$25 million for exploration during the first 3 years of the contract and no less than \$29 million during the next 3 years, in addition to paying an information bonus of \$1 million, a production bonus of \$5 million at a production of 50,000 barrels per day and a \$10 million bonus at 75,000 barrels per day.

Total Ouest Kalimantan will spend no less than \$48.5 million for exploration during the first 8 years of its contract. It will pay an information bonus of \$1 million, a production bonus of \$5 million at a production of 50,000 barrels per day, \$5 million at 100,000 barrels per day, and \$6 million at 200,000 barrels per day.

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PRELIMINARY FIGURES SHOW INCREASE IN VALUE OF NONPETROLEUM EXPORTS

Jakarta PELITA in Indonesian 16 Jul 83 pp 1, 10

[Text] According to preliminary figures released by Bank Indonesia, the value of exports other than oil and natural gas during the first 4 months of 1983 was up 3 percent over the corresponding period in 1982.

Data obtained from Bank Indonesia place the value of Indonesia's nonoil and nongas exports at \$1.230 billion for the first 4 months of 1982 and at \$1.277 billion for the corresponding period in 1983. This is an increase of \$47 million, or 3 percent.

Indonesia's leading export commodities, other than oil and gas, are wood and processed wood, rubber, coffee, tin, mined products, palm oil, tea, frozen shrimp, frozen fish, tobacco, handicrafts, condiments and electronic equipment.

The majority of these commodities are exported to members nations of the European Common Market, Hongkong, South Korea, the United States, Japan, Singapore and the Middle East.

Wood and processed wood, valued at \$225.983 million, were the leading nonoil and nongas export commodities during the first 4 months of 1983. While rubber exports were valued at \$140.681 million, tin at \$96.845 million, coffee at \$69.549 million, frozen shrimp at \$43.608 million, and handicrafts at \$38.246 million.

The government has adopted a number of policies, including the use of export credit, in order to encourage the export of nonoil and nongas commodities. In the fourth week of May 1983 Bank Indonesia distributed a total of Rp 119 billion in export credit.

Other measures taken by the government to promote exports and to achieve the targeted export revenue of \$4.2 billion for 1983/84 include the issuance of Government Regulation No 1 of 1982 and the 30 March 1983 devaluation of the rupiah against the U.S. dollar.

The Department of Commerce has devised a strategy to increase the export of nonoil and nongas commodities by using a commodity and business unit approach.

The department will use a short-term program to handle a number of potential export commodities that should have considerable value on the export market.

Prices on international markets have remained rather stable as a result of the improvement of plywood, rubber, black pepper, textiles and certain other commodities on the New York market.

For example, the price of RSS I rubber on the New York market in January 1983 was 42.5 cents per bundle C&F.

The price of coffee on the Singapore market was 302.5 Singapore dollars per pikul CIF at the end of January 1983 and 332.5 Singapore dollars per pikul CIF at the end of May 1983.

LNG Exports

Exports of liquefied natural gas were down 9 percent during the first 5 months of 1983 compared to the corresponding period in 1982.

Indonesia's LNG exports were valued at \$1.111 billion during the first 5 months of 1982 and at \$1.018 billion in the corresponding period of 1983, which is a drop of 9 percent.

LNG exports from the Badak field were valued at \$419.125 million and from the Arun field at \$599.177 million. No data have been received on petroleum exports.

5458

CSO: 4213/528

DATA ON INSTALLED INDUSTRIAL CAPACITY BEING COMPILED

Jakarta KOMPAS in Indonesian 11 Jul 83 pp 1, 12

[Text] Indonesia will soon have nation-wide data on the installed capacity of its industry. The data are now being compiled and will be used for development programs in various sectors.

Minister of Industry Hartato at a meeting with reporters on Friday evening said that about Rp 13.6 trillion had been invested in industry from 1980 to 1983.

Industrial investment in basic chemical industries, basic metal industries, miscellaneous industries and small industries totalled Rp 1,335.2 billion, with domestic capital investment amounting to Rp 7,909 billion and foreign capital investment amounting to \$4,381.7 million. This figure does not include capital invested in industries covered by the Industry Regulatory Ordinance (Bedrijfs Reglementering Ordonnantie).

The amount invested in basic chemical industries does not include investments in methanol, carbon black, olefin, aromatic and other projects supervised by the Department of Mining. The investment in basic metal industries does include cold rolled sheet and tin plate projects.

National Capacity Register

All of these investments increase the level of installed industrial capacity and will be recorded in a national register. This national register of installed industrial capacity will be revised annually to keep it up to date, and additional commodities will be listed as necessary.

The minister said that the construction of several key industrial projects, particularly projects that utilize natural resources, will have a positive impact on the growth of industrial zones, and that the implementation of inter-related programs (downstream industries, small industries and service industries) would result in the growth of industrial zones and strengthen, reinforce and complement the national industrial structure.

Minister Hartato said that he believed the national capacity data could be put to wide use. For example, the data can be used in programs to increase the utilization of national installed capacity. If these programs are tied to import controls they will have the effect of reducing the expenditure of foreign

exchange, and if they are tied to the export program, particularly the export of highly competitive commodities, they will have an effect on the receipt of foreign exchange.

With regard to export licensing policy, the minister said that no restrictions would be placed on the licensing of export commodities that are highly competitive on the international market and that the licensing of these commodities would be increased as long as market conditions permitted. He said that the saturation level of the market would have to be considered in granting licenses for commodities that are difficult to export.

Input

National capacity data also can provide the Department of Communications with input in handling transportation and distribution problems, as there will be a significant increase in demand in these areas.

For example, fertilizer [production will increase] from 2.7 million tons in 1983/84 to 5.8 million tons in 1985/86, cement from 9.1 million tons in 1983/84 to 16.8 million tons in 1986, ammonia from 58,000 tons in 1983/84 to 346,000 tons in 1986, and steel from 1.7 million tons in 1983/84 to 3.5 million tons in 1985/86.

"Measures to support the transportation and distribution process are being discussed with the Department of Communications," he said.

National capacity data will also provide the Department of Public Works with input in supporting the development of industrial zones. Problems in this area include water supply, infrastructure and the growth of industrial towns.

Industrial zones are now being developed in Cilegon, Cibinong, Gresik, Lhok Seumawe, Indarung and other places.

The Department of Mining and Energy will use national capacity data to ensure that supplies of fuel and energy (oil, coal, natural gas, electrical power) are available for factories and production processes.

National capacity data can be used by the Department of Manpower in providing a supply of workers, particularly in the industrial sector, and it can be used by the State Minister for Demography and the Environment in safeguarding the environment against the damaging effects of industrial development.

"For some time we have been cooperating with certain universities and consulting firms in drawing up environmental impact analyses on a number of industrial zones," the minister said.

Publication Must Begin

When asked if there were inaccuracies in the national capacity data the minister replied that the data would be upgraded in stages. He noted that if the data were to be upgraded, it first had to exist. Publication of the register must begin so there will be a comprehensive picture of the condition of national industry, he said.

Minister Hartoto recognized that his department and the Department of Commerce frequently differed in their interpretations of data, but he said that this problem could be easily resolved.

He said that the Department of Commerce needed the data in determining whether or not it was necessary to import certain products. "If the production of and demand for a given product are essentially the same, the Department of Commerce will import a small supply of the product to prevent a jump in prices in the event there is a sudden increase in demand," he said.

He said that domestic needs must be met from domestic production whenever possible, and that the existence of national capacity data would help this effort. He noted that the prices of domestic goods were much too high, particularly when compared with the prices of imported goods, and that this frequently created problems for consumers.

The minister said that the situation was the result of high production costs and that the problem could be solved by improved efficiency. He said that an improvement in efficiency was needed not only in the production sector, but also in the distribution, transportation and other sectors.

Protection of Industry

When asked when the level of protection for domestic industry would be reduced, the minister was not prepared to set a time limit. He said that this would depend on the amount of success achieved in the improvement of efficiency.

"It should also be borne in mind that the low prices on the goods we import are deliberately set by the exporting countries so that the prices will be competitive. Their export prices are always supported by domestic prices within the exporting country. Take steel, for example. The price of steel exported from Japan is much lower than the price of steel in Japan," he said.

Hartato said there were two reasons for the lack of full utilization of installed industrial capacity. First, capacity exceeds demand, and second, competition with imported goods. He said that national capacity data would provide Indonesia with a clear picture of national capabilities and that we would be able to determine where [export] licenses were required and where they should be restricted, and also what commodities we should stop importing.

Manpower

The Department of Industry anticipates that the small industry sector will be able to absorb additional manpower. Director General of Small Industries Gito Sewojo, SH, said that according to plan his sector should have the ability to absorb 434,000 workers through the end of 1983. Data from the end of 1982 indicate that 780,000 persons are employed in this sector, and it is estimated that the sector will have absorbed 1 million workers by the end of 1983.

Minister Hartato said that the degree of success achieved by industry depends on the employees of industry. There is a need for types of formal and informal training that meet the needs of industry, and employers share some of the responsibility for providing this training, he said.

INVESTMENT IN AGROBUSINESS GIVEN TOP PRIORITY

Jakarta KOMPAS in Indonesian 9 Jul 83 pp 1, 9

[Text] The BKPM [Capital Investment Coordination Board] is giving top priority to capital investment in agrobusiness. Apart from serving to expand nonoil exports, agrobusiness is seen as the best business opportunity at this time. For that reason, the government is providing various facilities to assure the success of capital investment in this sector.

Chairman of BKPM Ir [engineer] Suhartoyo, who was accompanied by Laurence A. Manullang, general chairman of IBEK [Business, Economic and Financial Institute] made this statement to correspondents at his office on 8 July at the opening of the Symposium on the Investment Climate After Devaluation, which is being held by IBEK from 8 to 10 August.

"In 1984, we will be unable to maintain the growth rate of investment if we do not open new fields for investment. And the greatest opportunity is in agriculture," Suhartoyo stated.

He said that much industry has reached the saturation point. Examples are textiles, electronics, and other manufacturing industries. For that reason, if the BKPM were to continue to look to manufacturing, the investment growth rate could be expected to be as in past years.

Moreover, with the restructuring of basic industries, opportunities for intermediate industries, which serve to relate basic industry to assembled product industry, have steadily declined. The agricultural sector has therefore increasingly become the government's goal.

Normally 15 Years

The BKPM chairman said that the Department of Industry has now completed its study of national assembled product capacity over the last 15 years, as well as studies of materials required for production and of actual assembled product production.

"It is evident from these figures that there is widespread saturation in the industrial sector," he stated. "Capital investment in that sector therefore must be limited."

As of the end of June 1983, approved investments had reached 3.7 trillion rupiahs. Since the 1983 target is 6 trillion rupiahs, the remaining 2.3 trillion rupiahs can be achieved under SPS's [provisional agreements] that have been issued. "For 1984, however, we will not be able to maintain the present investment growth rate without providing new opportunities," the BKPM chairman declared.

As is normal for developing countries, Suhartoyo said, import substitute industries reach a point of saturation. This usually takes 15 years. Since import substitute industries have become saturated since PELITA [five-year development plan] III, emphasis must be shifted quickly to entirely new businesses. For Indonesia, the most appropriate new endeavor is agrobusiness.

"The saturation of assembled product industries is not merely a result of the recession. It is indeed time to expect saturation anyway," he said. Moreover, in view of the government's declining income from oil, the private sector will be given more active participation in important projects to improve nonoil exports.

500,000 Hectares

The government will provide facilities for the expansion of capital investment in the agricultural sector. The types of facilities to be provided are still being studied.

A facility already existing is Government Regulation No 2 of 1980, which provides that capital investment in remote areas, in labor intensive sectors, and in production for export will be afforded a tax reduction of up to 50 percent for a maximum of 10 years after the tax-exempt period.

"Since the tax-exempt period is 6 years, adding another 10 years makes a total of 16 years of low taxes. We hope this provision will be a big incentive to capital investment," he stated.

Another facility is related to land for agrobusiness. The BKPM realizes that it is difficult to find 10,000 [as published] hectares for estate land. For that reason, the government will make available for estates five areas of 100,000 hectares each. These five areas will be in Sumatra, Kalimantan, and Irian Jaya.

This provision of land is for the purpose of assisting businesses. As industrial estates were made available for industry, the

government will also provide land for agricultural estates. The BKPM cannot yet say where the 500,000 hectares will be located but states, however, that for each 100,000 hectares, an overall area of 200,000 hectares will be needed. Of each 200,000 hectares, areas will be set aside for protected forests, settlements, etc.

Thirteen Private Groups

Funds totaling \$450 million (about 440 billion rupiahs) will be needed for each 100,000 hectares opened for large private agricultural estates. So far, there are 13 groups of large domestic businesses that have given written commitment to take part in these estates.

"With these 13 groups taking part in estates covering 500,000 hectares, there will be an investment of at least \$2 billion during PELITA IV," Suhartoyo said. It will not be necessary for each 100,000 hectares to be planted with a single crop, but several types of crops will be permitted. The suggested ones are perennial crops such as oil palm, hybrid coconut, rubber, cacao, coffee, and sugar cane [as published].

These private estates are expected to absorb 30,000 workers. There is no need to debate whether these estates will be labor intensive or capital intensive. The 30,000 workers are certain to be absorbed.

The expansion of large private estates will be only partly as agrobusiness projects, since the government will also seek expansion of PIR [small holdings]. The large private estates will eventually be associated with the PIR system through the growth of traditional agriculture around the estates.

President's Project

The BKPM chairman guaranteed that the BKPM is the only "ticket window" for capital investment in agriculture, so that an investor needs to deal with the BKPM only. It is the BKPM that will handle technical matters with other departments, such as the Department of Agriculture.

"Agrobusiness is a special project, not of the department nor of the BKPM, but of the president. It must therefore be given special handling," said Suhartoyo.

The BKPM chairman admitted that one hindrance to agrobusiness is the delay in reaching profitability. The recovery of invested capital also comes very slowly. By comparison, if \$450 million were invested to build a cement factory with a capacity of 1.5 million tons per year, the factory would be in production in 3 years.

On the other hand, it will take 5 years before an estate can be planted fully, and stable production requires 10 years. Furthermore, the earning power of an estate is lower than that of industry. While capital invested in a particular industry may be recovered in 10 years, only half that amount can be recovered from agriculture during that period of time.

Another hindrance, especially for foreign capital investment, is the HGU [long lease rights] problem. The government has not changed the HGU period of 35 years, but the president has made allowances by considering an extension 10 years before expiration of the HGU. Processing of the extension requires only about 2 years.

"We are using another strategy, however, by approaching national businesses, with the result that there are 13 groups that will invest capital," the BKPM chairman said.

Import Substitution

Suhartoyo agrees with the minister of agriculture's staff specialist, Dr A. T. Birowo, who stated that import substitute crops must be expanded rapidly. Examples include garlic, soy beans, and corn.

"There is no need to look for land outside of Java for the production of these import substitutes, since there is enough unused estate land in Java," he said. The BKPM is always open to agricultural projects that produce import substitute crops.

Banking interests agree that top priority BKPM projects also get top priority from the banks, but a bank itself is free to decide on the acceptability of a business or its sponsor.

Investment Method

As for the symposium itself, Laurence Manullang stated that the participants are national and foreign businessmen with authority to make decisions. During the 3-day symposium, the businessmen will receive guidance on how to use money for investment.

In addition to the BKPM chairman, symposium speakers will include BKPM officials, Minister of Manpower Sudomo, and Bank Pembangunan principal director Kuntoadji.

6942

CSO: 4213/526

FUNDS ALLOCATED TO BUILD 13,140 ELEMENTARY SCHOOLS

Jakarta KOMPAS in Indonesian 9 Jul 83 pp 1, 12

[Text] Funds totaling 589.159 billion rupiahs have been made available for the construction of 13,140 SD's [elementary schools] in fiscal 1983/1984. Consequently, it is hoped that there will be at least 118,000 government and private SD's by the end of PELITA [five-year development plan] IV.

This budget will also be used for housing for principals and teachers, textbooks, bookcases, modular instructional materials for small SD's, and athletic equipment.

These are the provisions of INPRES [presidential instructions] No 7 of 1983 with regard to aid for the construction of SD's in fiscal 1983/1984. These instructions were directed to the ministers of internal affairs, finance, and education and culture, the minister of state for PAN [administrative reform] and the minister of state/chairman of BAPPENAS [National Development Planning Board]. The instructions also directed that the amounts and types of aid be determined for each level I and level II region.

Four Objectives

This aid has four objectives. The first is the expansion of educational opportunity to facilitate the full participation of children of school age (ages 7 to 12) in preparation for implementation of compulsory education. The second is the restoration of existing educational facilities that no longer meet requirements.

The third is to meet elementary education needs in transmigration areas, new settlements, and estate areas. The fourth is to provide SLDB's (special education elementary schools) to meet the needs of handicapped children.

The book "The Situation of Children Ages 7 to 12 According to SD Statistics for 1980", published by the Compulsory Education

Pioneer Project of the Department of Education and Culture, reveals that throughout Indonesia there are 2,647,040 children who have never attended school. There are 20,929,210 children who attend school and 1,116,041 who no longer attend school.

A Total of 13,140 New Elementary Schools

The ministers issued Joint Decision No 25 of 1983 (No 364/KMK.011/1983, No 0269a/P/1983, No 37 of 1983, and No 034/Kep/5/1983) regarding determination of the amount of aid for SD construction in fiscal 1983/1984.

Plans for the construction of 13,140 new SD's are broken down as follows: A total of 5,200 new unit I schools are to be built, each consisting of three classrooms, a teacher's office, a restroom, school furniture, drinking water facilities, and a watchman's house.

Next will be the construction of 7,500 unit II SD's, including 150 SDLB's, each consisting of three classrooms, a restroom, and furniture. There will also be 220 multistoried SD buildings.

With this construction, there will be more than 118,000 SD's by the end of fiscal 1983/1984. This total includes government and private Islamic SD's scattered throughout Indonesia.

Official Housing

INPRES No 7 also provides for the construction of 50,000 official housing units for principals and teachers in remote areas. Of that total, 10,840 units will be for principals and 39,160 units for teachers.

Provision is also made for the rehabilitation of 21,000 SD buildings, which include both government and private SD's and

Islamic elementary schools. Large-scale rehabilitation will be performed on 12,000 government SD's, and small-scale rehabilitation will be performed on 9,000 private SD's and Islamic elementary schools (3,000 private SD's and 6,000 private Islamic schools).

A total of 32 million textbooks will be made available. Of those, 24,800,000 textbooks will be distributed to government SD's, SPG's [teacher training schools], SGO's [expansion unknown], and SLB's [special education schools]. In addition, 2,400,000 textbooks will be distributed to private SD's and 4,800,000 textbooks to Islamic elementary schools and PGAN's [government religious teacher training schools].

A total of 66,000 bookcases will also be provided, in addition to 96,000 sets of athletic equipment for both government and private SD's and Islamic elementary schools.

Small Elementary Schools

Provision is made for 650,000 sets of modular instructional materials for small SD's. A "small SD" is one consisting of only three classrooms for grades one to six and staffed by only three teachers, each of whom teaches two classes. In other words, these are unit I INPRES SD's, which are located in remoted areas. These are called "small SD's" only because of the differences in the numbers of students enrolled, but they have the same status as other SD's. In short, a small SD is an ordinary SD but on a smaller scale.

Efforts to build small SD's are based upon the realities of Indonesia's extensive land area and of isolated regions where the population density is small and transportation is still difficult.

In trying to deal with problems of communication with these isolated areas and of serving relatively small numbers of school-age children (ages 7 to 12), the question is how to provide educational services to them in an economical and efficient way without depriving settled areas and without detriment to the quality of education.

Parental and Work-Study Elementary Schools

In addition to providing for children of school age through normal SD's, elementary education is also provided through parental SD's (taught by parents and teachers) and work-study schools (working while studying).

The problem dealt with by parental SD's is that children must attend ordinary schools every day, whereas many children for various reasons (employment or helping to seek a livelihood) cannot attend school regularly as required. Through parental SD's, however, children may study at any time, in any place, and with minimum assistance from teachers.

Under this arrangement, there is a role for the public, for parents, for teachers, and for the children themselves. The educational process uses book packets (course textbooks) or book packets with study guides (modules) in areas where this is possible.

Responsibilities of the Public

It was stated in the instructions to governors and heads of level I regions and below that governors are responsible for the administration, oversight, and reporting of the use of the aid for SD's and for the full participation of school-age children in elementary education in their areas.

Similarly, regents and mayors, as heads of level II regions, are responsible for the administration, implementation, and reporting of the use of aid for SD construction and for the full participation of school-age children in schools in their areas.

The basic contribution by regional governments is to be land free from all legal and financial encumbrance. In addition, regional governments and the public are responsible for the furtherance of elementary education by providing funds from their own areas. When central government aid for SD construction falls short, the needed funds will be supplied by regional governments and residents.

6942

CS0: 4213/526

MAJOR GENERAL SAYS NO 'MYSTERIOUS SHOOTINGS' IN CENTRAL JAVA

Jakarta SINAR HARAPAN in Indonesian 15 Jul 83 p 3

[Text] Major General Soegiarto, the commander of the Central Java Military Region Command and of the regional command of KOPKAMTIB, has told reporters that the young hoodlums whose bodies were found in Semarang before Lebaran had been killed in gang wars.

Meeting with reporters in Semarang on Thursday, the major general said that law enforcement operations had forced gangs of young hoodlums to move into areas controlled by other gangs. Competition among the gangs for sources of income had finally led to the gang members killing each other, he said.

In response to a question the major general again affirmed that there have been no so-called mysterious shootings in the jurisdictional area of the Central Java Military Region Command. Abductions have occurred, he said, but all of these have been the work of young hoodlums. "I have not ordered my men to take such action," he said, adding that, "Every action taken to enforce the law must have a basis in the law."

He said that the operations against the criminals and young hoodlums would continue until they were really living in fear. Noting that many of the young hoodlums had not yet received their turn, he said that they would continue to be given an opportunity to change their ways and return to the right path.

He said that there were still many young hoodlums who had not been identified by the authorities. This was because the members of the public, fearing retribution, would not testify to the activities of these criminals.

The major general declared that the security forces in the area would always provide protection to members of the public, and he appealed to the public to come forward with information about lawbreakers.

5458

CSO: 4213/528

REPORT ON CORRUPTION CASES UNDER INVESTIGATION

Jakarta SINAR HARAPAN in Indonesian 8 Jul 83 pp 1, 12

[Text] Jakarta, 8 Jul 83-- At a breaking of the fast gathering with the Jakarta press corps on the night of 7 July, Attorney General Ismail Saleh SH gave an overall picture of corruption cases completed or now being handled by the attorney general's offices in 26 provinces, excluding East Timor.

He said that some of the cases have been handed over to the courts and that others are now being documented or investigated. He stated that "we could not finish by morning" if he were to enumerate the number of cases, the total loss to the government, the names of the accused, or the methods of manipulation.

"Calculation of the government's losses must await completion of all the cases," he declared.

Cases handled by each of the provinces are as follows:

Aceh Special Region: Manipulation of trawling funds, manipulation within the subagency for the prevention of contagious disease, falsification of checks of the BNI 1946 [Bank Negara Indonesia 1946], and manipulation of husbandry fees.

North Sumatra: Manipulation of land reimbursement funds, manipulation of funds for the development of offices and official housing of the Department of Religion of the city of Tanjung Balai, manipulation of INPRES [presidential directive] elementary school funds, illegal payments from job applicants, manipulation of BIMAS [mass guidance crop improvement program] funds, and manipulation of TABANAS [savings for national development] and PRPTE [expansion unknown] funds.

West Sumatra: manipulation of KUD [regional funds] and of BIMAS project funds; manipulation of IPEDA [regional development revenues], TABANAS, and Agraria-TABANAN [probably savings for agricultural development]; and manipulation of KIK/KMKP [expansion

unknown] of the Gianyar BRI [Bank Rakyat Indonesia], BIMAS project funds, and funds for the construction of a multipurpose building.

West Nusa Tenggara: Manipulation of funds for regreening projects, dam construction, land distribution, and BRI credit.

East Nusa Tenggara: Manipulation of funds for regreening projects, rice field development, reforestation, state support for DOLOG [logistics depot] and KUD, and wages of employees of the Forest Service.

West Kalimantan: Manipulation of funds from BIMAS projects, pier construction, regreening projects, amusement taxes, and teacher wages.

South Kalimantan: Manipulation of funds from credits, BKKBN [National Family Planning Coordination Board] projects, regreening projects, credits for fishermen, and village subsidies.

East Kalimantan: Manipulation of funds from BBM [fuel oil] projects, regreening projects, INPRES elementary schools, Regional Information Office, and Regional Office of the Department of Social Affairs.

North Sulawesi: Manipulation of funds from PRPTE, regreening projects, BIMAS, rice field development, KUD, construction of agricultural training facilities, BRI credit, the Minahasa regional government, teachers' wages, and the Office of Agrarian Affairs.

Central Sulawesi: Manipulation of funds from regreening projects, KUD, village assistance, and support for the Donggala administrator.

South Sulawesi: Regreening projects, pension funds, teachers' wages, reforestation, INPRES elementary school construction, BIMAS, BKKBN projects, INPRES markets, KUD, dike construction, remote settlement construction, and the South Sulawesi Regional Development Bank.

North Sulawesi: Manipulation of funds from transmigration area food crop management, INPRES elementary schools, regreening projects, and transmigration projects funded by the ADB [Asian Development Bank].

Moluccas: Manipulation of funds from village subsidies, construction of INPRES elementary schools, KUD, and sea transportation.

Irian Jaya: Manipulation of funds from INPRES elementary schools, agriculture, MPO [personal tax collection], PPN [sales taxes], income taxes, and PT Irian Sakti.

In addition, the case of tank truck purchases in East Nusa Tenggara is also being handled by the attorney general.

6942

CSO: 4213/526

NO 'MYSTERIOUS GUNMEN' OPERATING IN JAKARTA

Jakarta MERDEKA in Indonesian 16 Jul 83 p 3

[Excerpt] Maj Gen Try Sutrisno, the commander of the Jakarta Military Region Command and of the regional command of KOPKAMTIB, has again declared that there are no mysterious gunmen in Jakarta. Speaking to reporters at a religious recitation he said that there were no mysterious operations or campaigns being carried out within the jurisdictional area of the capital garrison, and that all activities were being carried out openly and in accordance with established legal procedure.

Maj Gen Try Sutrisno and Police Maj Gen Drs Soedjoko, the commander of the Jakarta Police Region Command, were touring the city to check on the security situation and had stopped off at the Central Jakarta Police Area Command.

When a reporter noted that youths with tattoos were uneasy because many victims of the shootings were also tattooed, Maj Gen Try Sutrisno replied that youths with tattoos had nothing to fear if they were not criminals. He said that general observations indicate that the victims of the shootings are perpetrators of crimes or recidivists and that some of them just happen to wear tattoos. He said that persons who feel they have done nothing wrong and are not criminals need not worry about becoming a victim, even if they are tattooed.

5458

CSO: 4213/528

ATTORNEY GENERAL SAYS DRUG ABUSE BECOMING 'MORE SERIOUS PROBLEM'

Jakarta KOMPAS in Indonesian 14 Jul 83 pp 1, 9

[Text] Attorney General Ismail Saleh has warned all members of society that drug abuse is becoming a more serious problem. Narcotics are a threat to members of the younger generation, persons who will one day be the leaders of the state. "If the younger generation is debased, the future of the nation is destroyed," he said.

The comments of the attorney general were made during a ceremony marking the signing of a joint instruction of the attorney general and minister of health on Monday at the office of the attorney general. The instruction sets forth the procedures to be followed in using or destroying narcotics that have been confiscated for the state by the courts.

Ismail Saleh said that district attorneys throughout Indonesia had handled 753 cases involving narcotics in 1981. The figure rose to 941 in 1982, and as of March of this year there have already been 485 cases. "This is indicative of the seriousness of the problem. Narcotics are a national threat and can defeat the development program," he said.

The attorney general said that Indonesia's national development program is intended to develop the whole person, but now the problem of drug abuse has appeared in the ranks of the younger generation, among students attending secondary schools and universities.

"Imagine what it would be like if the members of the younger generation, persons who will replace the leaders of the state, are addicted to narcotics. It would be as if our prospective leaders were leaders in drug abuse," he said.

Ismail Saleh said that narcotics cases involve the planting, smuggling, distribution and abuse of controlled substances. Large plantings of marihuana have been found in Aceh, North Sumatra, West Java and East Java. "In Aceh alone we found a 5 hectare tract planted in marihuana," he said.

He noted that more than 50 kg of smuggled narcotics were confiscated by the courts and destroyed in 1982.

At the end of the ceremony the chief of public relations in the office of the attorney general, A.A.G. Ngurah, SH, provided additional data on the destruction of smuggled narcotics. He said that 51,347 kg of opium and 3,164 kg of morphine were destroyed in Jakarta on 26 February 1982. Another 3,138 kg of morphine, confiscated by the South Sumatra district court, was destroyed in Jakarta on 4 December 1982. Ngurah also said that 500 grams of morphine and 500 grams of opium were turned over to the Directorate General of Customs to train drug detection dogs.

Rewards

Ismail Saleh said that preventive, educative and repressive actions are being carried out to overcome the narcotics threat. He feels that preventive and educative actions will be the most effective countermeasures in the long run.

The attorney general urged the public to play an active part in the fight against narcotics. "Report to your local district attorney or to a district office of the Department of Health if you know about marihuana being grown or about the distribution or abuse of narcotics." In this way, he said, the fight against narcotics can be carried out jointly and on a national scale, and not just by the district attorneys, the police and the Department of Health.

The attorney general pointed out that according to article 31 of Law No 9 of 1976 (basic law on narcotics), members of the public who actively assist the government in preventing the smuggling and distribution of narcotics are entitled to a reward. "I am asking the minister of health to take the initiative in drafting regulations covering these rewards," he said.

Joint Instruction

The joint instruction of the attorney general and the minister of health is addressed to the heads of district attorney offices at the appeals court and state court levels, and to the heads of district offices of the Department of Health. It authorizes personnel who have been designated by the heads of these offices to take samples of narcotics that have been confiscated by the courts, for the purpose of qualitative and quantitative testing. The only laboratories that may perform the tests are those that have been so authorized in a directive issued by the minister of health.

The personnel from the two government offices who originally picked up the picked up the sample will reseal in a container any of the narcotics that remain after testing. They will also make out and sign an official record of the proceedings.

The district office of the Department of Health will forward a report on the results of the testing to the Directorate General for the Supervision of Food and Drugs to obtain a decision on whether the narcotics will be used in the interests of the state or destroyed, and it will also inform the local district attorney as to the nature of the decision.

If the directorate general decides that the narcotics will be used in the interests of the state, then the district attorney will transfer the narcotics and an official record to the district office of the Department of Health. The district office of the Department of Health will keep the narcotics in sealed storage until there is a decision by the minister of health, concurred in by the attorney general, on how the narcotics are to be used. The narcotics can be used for medical treatment or for scientific, technological or educational purposes.

If laboratory testing indicates that the narcotics are no longer usable, then personnel designated by the district attorney and health offices will immediately and thoroughly destroy the narcotics. A written report and an official record of the destruction of the narcotics will be forwarded to the attorney general, i.e., to the assistant attorney general for special criminal acts or the assistant attorney general for general criminal acts, and to the minister of health, i.e., the director general for the supervision of food and drugs.

5458

CSO: 4213/527

POSTIVE, NEGATIVE ASPECTS OF THAI-U.S. RELATIONS DISCUSSED

Bangkok PATINYA in Thai 11 Jul 83 pp 41-43

[Article: "150 Years of Thai-American Relations--What Has Thailand Gained?"]

[Text] From 14 to 31 June 1983, the National Library showed an exhibit on "150 Years of Thai-American Relations" in the second-floor hall of the National Library. Large numbers of students showed a great interest in this exhibit. "Most who came to view the exhibit were students. In some cases, entire classes came. The teachers had the students write reports," said a library official to PATINYA.

Relations In the Past

From the exhibit, it could be seen that Thailand and America have had relations for a long time. On one board was written:

"During the reign of King Rama II, beginning in 1821 Americans began to come and engage in trade and missionary activities in Thailand for the first time. In 1831 during the reign of King Rama III, the first [American] missionary, Dr David Abeel, arrived in Thailand. After that, other important missionaries arrived. These included Dr Bradley, Dr Matoon, Dr McFarland and Dr House. These missionaries also disseminated various subjects widely.

"Friendly diplomatic and trade relations between the United States and Thailand first began with the first treaty signed in 1832 during the reign of King Rama III. President Jackson sent Mr Edman Robles as the U.S. negotiator.

During the reign of King Rama IV, Thailand had to change its foreign policy in order to prevent the country from being taken over by the Western imperialists. Thus, Thailand signed the Bowring Treaty with England in 1855. And it signed treaties with 13 other countries including the United States. These treaties were very important since this was the beginning of political, economic and social change. But Thailand was at a disadvantage, particularly concerning the extraterritoriality rights.

"Later on, U.S. President Franklin Pierce appointed Mr Townsend Harris to come negotiate a new treaty in 1856. That was the starting point of the good relations between Thailand and the United States. King Rama IV issued a message showing his intention of sending elephants to the U.S. president as a gift. But this was never done since a civil war broke out in the United States.

"The first Thai envoy sent to the United States in 1881 was Phra Chao Baromawong Thoe Phra Ong Chao Prutsada. At that time, Thailand had an office in London, England. The first Thai embassy in the United States was established in 1901. Phra Yaakkharat Warathon (Phatsaka Buranasiri) was the first Thai ambassador there.

"In the next period, Thailand's foreign policy underwent changes. At the same time, there was a lack of able administrators. King Rama V employed foreigners to serve as advisors to the government. The three well-known Americans who served as advisors were Mr Edward H. Storble, Mr James O. Westengarde, and Mr Wolcott H. Pitkin. During the period 1917 to 1940, five Americans served as advisors to the Ministry of Foreign Affairs: Adcon R. James, Francis B. Sayre, Courtney Crocker, Raymond P. Stevens and Frederick R. Colbaer.

"Titles were conferred on three American officials. George B. McFarland was made Phra Atwithayakhom, James I. Wentengarde was made Phra Kalayanmaitri, and Francis B. Sayre was made Phra Yakalayanmaitri.

"Relations between the two countries at the top level were very close. For example, in 1931 the United States [sic]. After that, in 1960 and 1967, the present king and queen visited the United States.

"Relations between Thailand and the United States have continually grown closer ever since Thailand signed a treaty agreeing to accept help on the education, economic, technical and military fronts in 1950. Since then, Thailand has constantly recieved help on various fronts. Besides this, help has been given in other forms such as foundations and associations, including the Thai-American Education Foundation (Fulbright), the East-West Center, the John F. Kennedy Foundation, the Thai-American Association and so on.

President Reagan expressed his views on Thai-American relations on the occasion of the 200th-year Rattanakosin celebration. He said that the independence of the two countries would be maintained while working together as friends."

What Have We Gained?

Thailand has been criticized greatly because of these relations. Because in these relations, Thailand has both gained and lost. As for the benefits, Thailand has benefited both directly and indirectly. For example, after the end of the Second World War, the United States helped turn Thailand

from a defeated country into a victorious country. Regardless of whether or not this help was given with pure intentions, it helped us maintain our independence to the present. Later on, the United States gave Thailand more and more help, providing us with financial help, goods, military support, technical help and new technology. The help during this period resulted in Thailand resembling a military base of the United States and the proxy of the Free World in the fight against the communists in this region. Thus, relations in this period have been severely criticized. In particular, in the period following the events of 14 October, many people said that we had lost our independence--on the military, economic and social fronts--to the United States. There were demonstrations against the United States. Based on these facts, we can discuss whether we have really lost our independence or what the reasons are.

It must be admitted that the United States is a Western country that has made great technological advances on all fronts. Thus, industry in the United States has made rapid progress. At the same time, politics and administration in the United States have long been carried on in a democratic way. The fact that the United States is a multi-racial country has not posed an obstacle to national development. Thus, the United States has made rapid progress to the point where it is the foremost power in the world.

Since Thailand has relations with the United States, various technologies have entered Thailand. But these technologies have benefited only one place and one group that has made use of these new technologies. At the government echelons that have received this new technology, no one has thought about modifying it. Thai engineers that have thought about how to modify it have not received any support from the government. Thus, what has happened is that foreign engineers have always been hired to do the important tasks for the government. This is just the opposite of what goes on in Japan, which has been able to develop the country very quickly even though Japan has few natural resources. This is because Japan purchases technology from the United States and then thinks about how to modify it so that it is almost like new technology. It then resells products on the American market. These things refer to a sense of self-reliance. Thailand can do this too if it wants to be free. It is not a matter of losing our independence.

It must be admitted that many of the things that have happened to Thailand have not happened because of any pressure being put on Thailand. We have received things from them without first thinking about whether such things are suited to our society, with such things including bars, nightclubs and love partners.

"I think that when Thais accept something, they do so like beggars. After they receive something, they wait for something more," said one person viewing the exhibit. "We copy everything we get. We do not modify things and so these things cannot be used by Thais. Thus, it isn't surprising that Thai society is 'going to pieces' today."

From all that has been said, it can be seen that during the past 150 years, if we had been skilled in our contact with the United States and had contact like an intelligent person who knows how to think and accept things, Thailand would now be more prosperous than it is now. But because we did not know how to take things, we are still an underdeveloped country today.

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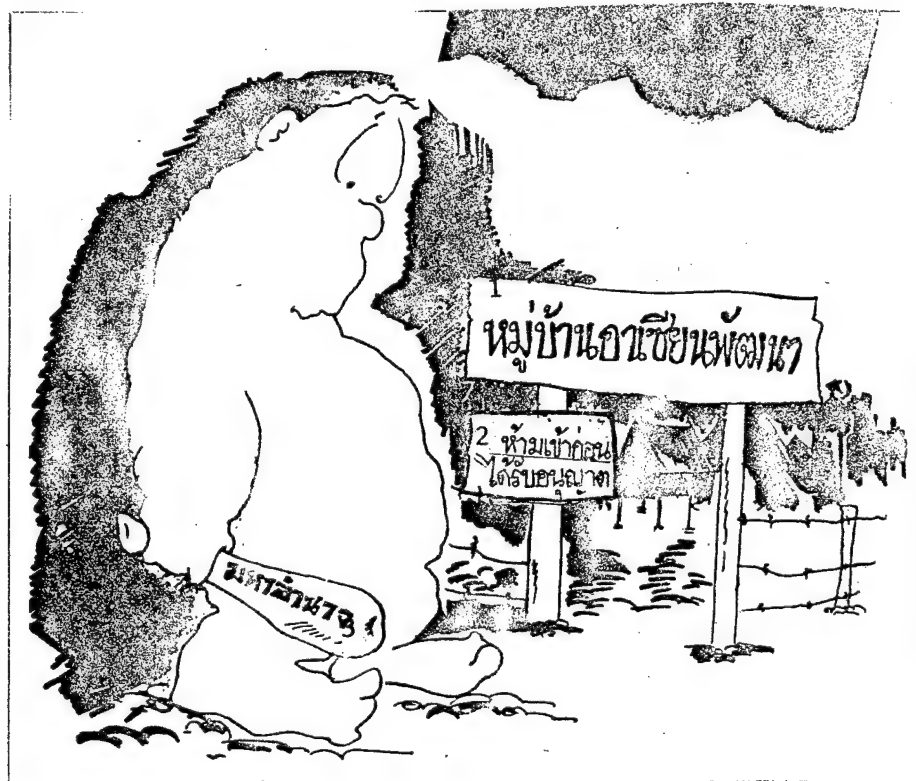
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COMMENTARY WARNS OF OVERDEPENDENCE ON GREAT POWERS

Bangkok KHAO CHATURAT in Thai 11 Jul 83 p 3

[Article by "Illegal Leaflet": "The ASEAN Village, a Child Who Refuses to Grow Up"]

[Text]



Cartoon: Key:

1. ASEAN Development Village
2. No entry without permission
3. Great powers

The ASEAN conference has just ended. It would be strange if we didn't discuss this. The publisher of this newspaper once associated with foreign correspondents and so it would seem even more unusual not to say anything about this.

O.K. Our feeling is that once the ASEAN countries unite, they will have great economic potential. Looking at each country separately, there does not seem to be much. But put them together and there is great potential. There is oil and gas, and agricultural and industrial production is capable of competing with that of Western countries and of selling to domestic markets. The population base forms a huge market for trade between the ASEAN countries and between ASEAN and other regions of the world. None of the members are engaged in a prolonged war as is happening in Africa and the Middle East. (This does not mean that we are forgetting about the events along the Thai border or the events in East Timor, which has been taken over by Indonesia.)

Stated simply, no one [here] has to pay for a large-scale war to the point where they cannot use state tax money to develop their economic structure. If they think that something is appropriate, they can invest the money, even though the details are different in each country. For example, the Philippines is experiencing great difficulties and things are not good in Indonesia. But even so, things in these two countries are still better than they are in Latin American or in some East European countries.

In short, the ASEAN countries have shifted from being underdeveloped countries to being developing countries that are developing so rapidly economically (yes, they are still underdeveloped politically) that they are now competing for similar types of goods.

Since such is the case, I think it is time that we started acting in a way appropriate to our position. That is, we do not need to rely too much on the great powers. There should be reliance because both benefit from this, not because we gain more than they or because they gain more than we. We must not act like an ideological follower of theirs, which does not really gain anything for us from them. This should be the feeling. But this should not be the feeling just among high-ranking officials of the country. This should be the feeling among the people in general to be the spirit of the country.

We know that high-ranking officials of ASEAN governments sometimes have opposing views from those held by friendly Western countries. And sometimes it is necessary to attack each other on both political matters and matters of economic interests. However, from the nature of economic development in the ASEAN countries, trade with the socialist countries has now begun to expand greatly. It has reached the point where 20 to 30 percent of the revenues from exports of some ASEAN countries comes from trade with the socialist countries.

We will not remain neutral in the disputes of the great powers. But we will form a bloc that is efficiently united in a state society. We will propose our own ways of solving the problems. We will propose ways to solve international problems when necessary. But we cannot propose ways to solve international problems if we cannot solve our own problems.

The fact that we know ourselves is an honor to us. I hope that our friends in other parts of the world will understand this and respect this. Because mutual respect will lead to understanding of the various problems--like men who live in a human society and not an animal society.

11943

CSO: 4207/143

LANDLESSNESS SAID TO BE PROBLEM IN NORTH

Bangkok THE NATION REVIEW in English 19 Jul 83 p 5

[Text] THE REPORT on the "Landlessness, Employment and Income in Thailand" is a case study on two districts in Upper Northern Thailand prepared for the Agricultural Land Reform Office (ALRO) by Ms Pasuk Phongphaichit, a staff member of the Asian Regional Team for Employment Promotion (ARTEP) and Mrs. Tipaporn Lokahadhana, a consultant.

The purpose of the report, which was put before a group of experts and specialists during a discussion at Chulalongkorn University last week, is to provide information concerning the levels and pattern of employment and income and wage rates among the three groups of the poor in rural Thailand.

The report was carried out alongside a survey on landlessness which ALRO conducted in early 1982.

The survey was limited to two purposively selected districts-- Koh Ka and Hang Chat in Lampang, where there is a reported high incidence of migration to the Middle East.

The survey covers two districts in Lampang Province in the upper northern Thailand. One district is near a town centre, the other is more remote. The households covered in the survey are classified into three groups: the landless (those with no access to an operational holding), the near landless (those with less than five rai of an operational holding), and the marginal farmers (those with between five and ten rai of an operational holding). In both districts these three categories include over 60 per cent of all households and over 70 per cent of all farm households.

THE EXTENT of landlessness in the two districts covered is only 6 per cent. This is lower than the average of 14 per cent found for upper northern Thailand as a whole. But if those with less than five rai are included then the landless and the near landless form about half of all the farm households. The rate of tenancy is also already high with a third of all the landholders being full tenants. Among the near landless, full tenants form 12 per cent.

The landless households surveyed had been landless for at least a decade. A small proportion of the other two groups have lost some land during the last decade, but overall more have gained. Clearing of forest lands, purchasing and inheriting (in that order) have been the main means of land gain.

Among those who lost some land, the causes are divided between debt, abandonment due to low productivity and transfer to relatives. These data suggest that while indebtedness and demographic increase encourage fragmentation and loss of land, up to now these factors have been more than balanced by the ability to acquire virgin lands (forest clearing).

Should the same economic and demographic factors continue to operate, while the land frontier closes, the position of the near landless and marginal farmers is likely to deteriorate and result in greater landlessness in the future.

The landless households in a village near an urban centre may compensate for the lack of farm employment by engaging in wage and self-employment off the farm. But to survive they have to work a large number of days because the return to their labour is extremely low. The landless in a remote village find it more difficult to get off-farm employment, and face wage rates that are even lower than those in the village nearer a town.

About 40 per cent of all the households in the two districts receive grants and remittances from relatives who migrate to work elsewhere. Data suggest that more than one member of the landless households may be involved in the migration. They compensate for inadequate local employment by relying on these grants and remittances.

Evidence suggests that external migration may reflect a relocation of labour in line with changing opportunities. Available direct and indirect evidence shows that the migration pattern differs between the two districts. One has more families sending their members to the Middle East, while the other has more households involving in internal migration.

The survey covers only some aspects of external migration and none of internal migration. Emigration to the Middle East raises the average per capita income of the migrant households by something like 10-14 times. But the initial cost of emigration is very high. Workers who can afford these costs are

mainly those who have access to an operational holding.

Yet they have to borrow to finance their trips and pay an exorbitant rate of interest on the loans. Most of the remittances received are used to pay debts. Results of another study on effects of emigration to the Middle East corroborate our findings. It further shows that investment on productive assets ranks lowest among major items of expenditure out of remittances (buying stereo sets, building of new houses, land purchase, land development and investment in animals and equipment rank in that order). This same study also noted that the price of land soared as a result of increased demand for it. External migration may not provide long-term solutions to the problems of rural poverty and landlessness. The boom in land price also means that the poor who cannot take part in such migration may become worse off and their chance to gain access to land also deteriorates as the price of land goes up.

Those with no access to land lose absolutely on every count. Lack of access to land not only reduces self-employment on farm, but it also limits ability to invest in productive assets. The landless have to borrow at an exorbitant rate of interest, while those in the larger landholding groups have better access to cheaper credits from lending institutions. Those in the smallest holding are also disadvantaged in this respect, because they also have to borrow at very high rates of interest. Low level of productive assets, also means low capacity to earn. Data indicate that those with larger holding tend to have more productive assets, tend to have fairly high level of employment, as well as receiving higher return per person-day worked. Their capacity to earn is augmented by their access to land and their ability to accumulate other productive assets.

The relationship between access to land, levels of productive assets, employment and income can be established.

Land is the most important source of wealth and income in a rural economy. Lack of access to

land compels people to work as wage labourers, limits their chance to acquire loans at a reasonable rate of interest and thus restricts their opportunity to invest in productive assets or ventures which require an outlay of cash. Lack of productive assets in turn limits their ability to augment the returns to their labour or effort of work.

Even though a landless farmer may be able to engage in more persondays of wage work than those with access to an operational holding, this could not compensate for the loss of income due to lack of land-based operation. The return to their labour is too low.

An estimate of poverty levels based on a per capita nutrition requirement of 1,978 calories per day (based on the World Bank's study) yields poverty levels of 31 and 71 per cent for Koh Ka and Hang Chat respectively. The households which fall below the poverty line include some near landless and marginal households.

This suggests that poverty is not synonymous with landlessness. Poverty can occur among those with an access to land, if they operate on poor land or if they cannot obtain good prices for their products. It was noted that households which rely heavily on agriculture are among the poorest in terms of per capita income received. This again reflects the low returns or the low productivity of farm employment. Those who engage in non-farm activities or who rely on remittances can fare better.

The implications for policy is quite clear. Programmes aiming to create short term and more productive employment for the rural poor are necessary to raise the volume of employment and their income. But any long term programmes must involve three main things:

- (1) measures designed to raise the levels of productive assets (land and/or non-land) among the landless;

- (2) measures designed to ensure good agricultural prices and to promote agricultural diversification for the near landless and the marginal farmers; and

- (3) measures to encourage the expansion of non-farm employment

into the villages.

There is a strong reason to support the policy aiming to increase the levels of productive assets, including land among the landless. Thailand still has some land frontier left. It will be appropriate to make use of the available land sensibly for purposes of reducing and preventing further deterioration of rural poverty. An improvement of infrastructures at the village levels, such as irrigation facilities, feeder roads and electricity supply are important initial steps for the promotion of agricultural diversification and non-farm activities.

EXTERNAL MIGRATION

Migration may be considered a redistribution of labour in line with changing opportunities, or as a sign or distress among the relatively worse off. Evidence on external migration to the Middle East, indicates that external migration can be afforded mainly by those who can pay for the high cost of migration. Thus the migration may be said to represent a relocation of labour in line with changing opportunities.

It is true that limited opportunities to better themselves and their families within the locality compel workers to move elsewhere or even abroad for jobs with better pay. But even if it is true that migration may be pushed by relative poverty as well as being pulled by better opportunities, not all those who are in distressed position can migrate. Migration has a cost. Thus a relevant question for policy is who are those who migrate and how. Other relevant question concern the types of jobs obtained, the level of pay and remittances sent home, how the remittances are used, and the effects of the migration on the work at home.

Because of limited time and budget we could not cover all aspects of migration. Internal migration is not covered at all and those aspects of external migration covered include only the following: basic data about the migrants (age, education, family's asset value), types of work abroad, expenses

incurred for the travel arrangements, debts, remittances and their use, and the persons taking care of the migrant's task at home. They are helpful for understanding the way in which the relatively worse off in our districts cope with their economic problems through external migration.

But it must be cautioned that the analysis is based on a very small sample of only 18 migrants.

THE MIGRANTS

Eighteen farmers from sixteen households out of a sample of 95 households in our sample districts have migrated to work in the Middle East or in Singapore during the past three years. Of these eighteen workers, seventeen come from Koh Ka and only one comes from Hang Chat. Of those seventeen from Koh Ka, two come from the landless group, six are from the near landless, and the other nine belong to the marginal group. The only one migrant from Hang Chat is from the landless group.

CSO: 4200/9755

BORDER RELATIONS WITH PRK IN TRAT DESCRIBED

Bangkok KHAO CHATURAT in Thai 18 Jul 83 pp 40,41

[Article by Dr Wichitwong Na Pomphet: "Bo Rai District"]

[Text] Bo Rai District in Trat Province was the first border area that I visited in my "hug the border" project. I started in Trat Province and reached Mae Hong Son Province in the summer of 1983.

The day that I went to Bo Rai District seemed like an ordinary day at the beginning of March. The Chanthaburi-Trat forces provided me with transportation and my guide was none other than the head of the Civil Affairs Division of these forces, a well-known man named Captain Bunchoet Chuphawang.

Captain Bunchoet took me and my group, which was composed of two of the deputy rectors of Kroek College, Mr Ekkachat Somphong and Dr Saphaphon Monphopha, on a trip. We left Chanthaburi in the morning and soon arrived at Bo Rai. Mr Narong, or Ophat, the district officer, was waiting to welcome us.

"Bo Rai is a place for people who like to take a chance," said the district officer, who was dressed comfortably, to me after we had been invited into his office. "People from all over the country have come to live in Bo Rai. If you want to meet someone from a particular province, I could arrange a meeting in just a moment. And there are all types of people living here, too."

"Precious stones," said Mr Narong when he saw my consternation at being told that Bo Rai District is filled with gamblers and that it is possible for beggars to become millionaires in just the blink of an eye. Everyone digs for gemstones here. The entire district is covered with holes. Sometimes, people even dig underneath government buildings. And even still they are not satisfied. They go across the mountains and dig for gemstones in Kampuchea. Wherever there are gemstones, there are people who are willing to take a chance."

I was interested in the matter of Thais crossing into Kampuchea to dig for gemstones since I have heard only about Kampucheans crossing over into Thailand along the border. It seems that the situation in Bo Rai is just the reverse. District Officer Narong, or Ophat, said that:

"A rough estimate is that at least 10,000 Thais have gone to mine gemstones in Kampuchea. That is not the total number who have ever gone but the number there now. And they do not go emptyhanded. Some people take water pumps, gasoline and other items. All this weighs a lot, but no one turns back."

"Don't Kampuchean officials make an issue of this?" I asked incredulously.

"These gemstone miners are friends with Kampuchean soliders. With such items, some bribes are probably being paid. The gemstones within our territory are getting hard to find. But there are still large quantities in Kampuchea. Some people come and say that when Thailand invades Kampuchea, they will volunteer to be in the vanguard."

Bo Rai is divided into four communes: Dan Chumphon, Chang Thun, Nong Bon and Bo Phloi. The total area is 680 square kilometers, and the population is almost 25,000. Directly opposite Dan Chumphon Commune in Kampuchea is an area where Kampuchean resistance forces and forces of Heng Samrin are confronting each other. Because of this, Bo Rai District was once an important "exodus point" that Kampucheans used to flee from the war into Thailand. Besides this, Bo Phloi Commune is a commune that has been affected by the events along the border.

The border with Kampuchea is almost 45 kilometers long. Most of the district is hilly jungle terrain. There are plains and open fields in some parts of the district that can be used to grow crops even though there is a lack of large water sources. If the area had enough water and was fertile enough, various upland field crops and para rubber could be grown. But the natural resource that earns the greatest income for this district is gemstones.

The Bo Rai district officer took me to visit the gemstone market, which is a long shed with a tin roof that is located in the hills at the entrance to the border pass between Thailand and Kampuchea. In the shed, work tables are set up all about. There are also food stalls here and there to serve customers who come to purchase gemstones. On each table are piles of gemstones of various sizes and colors. I observed that most of the sellers were young people who dressed in the modern fashion. That is, they wore T-shirts and jeans. Many of the girls wore caps like those worn by golfers.

I inquired about the prices of the gemstones that were for sale. But the prices that they quoted me were too high for me to even bargain over. Also, I really had no reason to purchase any of these pretty stones.

I have purchased precious stones once in my life. That was when I went to attend an ESCAP conference in Colombo, Sri Lanka, in 1974. I remember that I and Mr Suwit Thatwithakkun from the Ministry of Commerce looked at gemstones in a Sri Lankan government jewelry store for several hours. Each of us purchased one or two sapphires.

Looking outside the gemstone shed in Bo Rai, I saw motorcycles passing back and forth in front of the shed on the laterite road. Following the road with my eyes, I saw that it wound up into the high mountains there, which form the border between Thailand and Kampuchea.

After leaving the gemstone market, I visited two or three self-defense villages at Ban Dan Chumphon, Ban Mamuang, Ban Manao and Ban Pa-ah. These are not too far from the district seat. These villages were established by government officials in order to bring together the people, who lived scattered about, and have them live in one area. Besides making them safe from terrorists, this has enabled officials to provide various services in order to develop occupations and social conditions. However, at present, the threat from the communist terrorists is almost non-existent.

From Bo Rai District, we went on to Khlong Yai District, which is the southernmost border district in Trat Province. The terrain is composed of mountains, which form the border between Thailand and Kampuchea on one side, with the other side bordering the Gulf of Thailand. The highway, which runs along the border, is a well-built road. Only occasionally did another vehicle pass us. Things there seemed very quiet. It's a good place for someone who wants to get away from the rush of populated areas. It was on this road 26 years ago that a former Thai prime minister sped along in a Thunderbird from Bangkok to Hat Lek Commune in order to get on a small fishing boat to flee to Kampuchea. However, Field Marshal Phibun Songkhram did not travel on such a well-built road as I did on this trip. His trip was probably not very comfortable.

Khlong Yai Commune is an area that is waking up and coming to life again. It can be seen that buildings are being built everywhere. This is the case even though the district has been affected by the events along the border and foreign troops are stationed along the border. If these events do not cause trouble or destroy the morale of the people, their lives and work will probably continue on as usual.

Near the district headquarters building, a pier that extends out into the sea is being built. Once construction is completed, Khlong Yai will be a port and a transport center for fishing goods, which are important goods along the eastern seaboard.

I walked to the end of the pier, which extends out at least 1 kilometer from the beach, and looked back at the coast. What I saw was a long range of mountains that separates Thailand and Kampuchea.

Seeing this sight, I was thankful to nature for creating such a fine buffer along the border. At the same time, I could not help feeling surprised that these high mountains were not part of Thailand.

PRK BORDER SITUATION SAID TO IMPROVE

Bangkok BANGKOK POST in English 18 Jul 83 p 3

[Text]

BORDER troops have begun helping farmers to plough their land and reafforest border areas after considering that the situation along the Thai-Kampuchean frontier has improved.

The troops were ordered into the fields by Second Army Division Commander Maj-Gen Prachoom Pibulpanuwat.

In addition to helping farmers plough their land and sow seeds, the soldiers will also help reafforest border areas in Ta Phraya District and some parts of Aranyaprathet opposite the Army-dug strategic canal, he said.

Maj-Gen Prachoom said at the initial stage about 1,000 rai of land beyond the canal will be turned into farmland.

But he added that the remaining land will have to be cleared of booby-traps and mines as well as refugees before allowing the villagers to return to their farms.

He said areas beyond the canal have been deserted by farmers since 1975 as a result of the Kampuchean war.

He said turning the deserted areas into farmland is the Army's policy to make the area secure and to let the Vietnamese and the world know that the area beyond the canal belongs to Thailand.

"If they know that our people are farming there because it is our land,

they will stop trespassing," he noted.

Maj-Gen Prachoom said that the Second Army Division will build a "checkpoint bunker" at the borderline to show the actual frontier because of the poorly-defined Thai-Kampuchean border.

Maj-Gen Prachoom also said that he is going to propose that the Government build an irrigation canal to draw water from Lam Stone and Huey Yang canals for agricultural purposes.

He said that when the villagers have water to feed their cattle and to plant, they will settle down there permanently.

Meanwhile, an informed source said yesterday that the United Nations Border Relief Operation and the Special Task Force 80 will move 17,000 Kampuchean refugees at Prey Chan to Sanlor Changan, about 40 kilometres away.

He said out of 25,000 refugees at Prey Chan, about 1,600 have been evacuated to Sanlor Changan. Some have fled to Nong Samet leaving only 17,000 refugees.

LOCAL OFFICIALS URGE BOOST IN LAOS TRADE

Bangkok BANGKOK POST in English 21 Jul 83 p 3

[Text]

OFFICIALS in Nakhon Phanom and Loei provinces have renewed their call for the Government to open more trading points on the border with Laos, virtually closed since the communist victory in 1975.

The latest request was made to Gen Kriangsak Chomanan during his visit to the two provinces earlier this week as Chairman of the House Foreign Affairs Committee.

During the visit both Nakhon Phanom Assistant Governor Prasit Poonsawas and Loei Governor Thongkam Banchuen told the former prime minister that villagers had been adversely affected by a dramatic drop in trade since the border was closed.

Governor Thongkam said his provincial administration wants four trading points opened — in Chiang Khan, Na Haeo, Phu Lee and Tha Li districts.

"The Laotians want to buy more from us than we do from them and we stand to benefit from this trade," he said.

Before 1975 Thais and Laotians freely traded along the border but at present there are only two legal trading points. One is in Nong Khai's

Muang District, the other in Mukdahan's Muang District.

Military authorities, however, maintain a strict ban on some 200 items including petrol, medicine and transistor radios which they consider "strategic goods" that could be directed for military use.

Administration officials, pressed by villagers who want to resume free trade and many who are sympathetic to the Laotians because they have relatives living on the other side of the Mekong River, feel that these limitations can be substantially relaxed.

Loei's Chiang Khan District Officer Supoj Pothongkam commented, "With this 200-item ban, how can anyone carry out trade?" Chiang Khan, he said, was once a busy trading centre between Thailand and Laos.

He said villagers on both sides already trade illegally in a wide variety of goods.

"They want everything from needles and fishing

nets to medicine," he said. "They (Thai villagers) usually just barter when they trade with the Laotian side, accepting forest produce such as vegetables and even ivory for the goods."

He said that since the border had been closed the villagers had resorted to black marketeering by crossing the river illegally at narrow points with their goods.

Officials argue that since it is done illegally and no one has any control over it, trading may as well be legalised so that some sort of control can be maintained.

Assistant Governor Prasit of Nakhon Phanom also said that if more border trading points were set up, conflicts between Thais and Laotians could be reduced.

"One bad habit with Thai traders is that they cheat the Laotians," he said. "So when they go back, sometimes they are shot or held for ransom over there."

PRK BORDER TRADE DESCRIBED

Bangkok BANGKOK POST in English 11 Jul 83 p 3

[Article by R. Phattharasak]

[Text]

MAN'S instinct to trade will never die and despite having to fight against Vietnamese troops, Khmer soldiers and civilians have still found time to run a thriving weekly market at their frontline stronghold, opposite Ban Sa-ngae in Ta Phraya District of Prachin Buri.

As long as it's safe to operate, Khmers can be found at the Khmer Seri market which usually opens on the day the United Nations Border Relief Operation distributes weekly rice rations.

Goods range from foodstuffs to knick-knacks and even pets. You'll find vendors selling curry paste, *khanom jeen* and noodles; soap, toothpaste, shampoo, Thai perfume, bracelets and aluminum cooking utensils.

Or one can stop at the "pet-shops."

Perched on the shoulders of young men or on leashes and in cages are parrots, mynahs, monitor lizards, pythons, and anteaters which together produce a fantastic musical score!

However, some of the "pets" end up on the table as delicacies — monitor lizards are sold at 200 baht each and anteaters at 70 to 80 baht.

The parrots and mynahs are favourites among *farang* refugee officials, who pay about 200-300 baht for each bird.

There's a smaller-scale daily market operated at dawn by civilians from the Khmer People's National Liberation Front, who sell meats and vegetables. The merchants raise pigs near the border and get their buffalo meat from compatriots who drive herds

from inner Kampuchea.

Profits are high. One Khmer merchant, Mrs Sien, said she sells everything at twice her cost price. A five-baht bar of soap goes for 10 baht while a 12 baht pack of Thai cigarettes sells at 20.

However, the most expensive item is ice, where a fist-sized piece is sold for five baht!

Cash transactions involve the Thai baht with the Kampuchean riel having lost its value. The Khmers do not even use it among themselves.

Of course, Thai black marketers have a slice of the pie.

They cart their goods across the border at various forest-covered points at dawn and return with such items as dried fish which is very popular at the Ta Phraya and Aranyaprathet markets.

Some Thai villagers, desperately poor, also take a risk by crossing the border laden with vegetables which they exchange for rice. Ironically, rice is about three times cheaper at the Khmer market than in Ta Phraya.

Unlike the other traders, these people don't earn enough to become rich. They only manage to survive with enough rice to go with their vegetables and *nam prik* (chilli paste). And a relationship of sorts has been established between these villagers and the Khmers.

When they see these Thais carrying dirty plastic bags they usually invite them to their huts, where small fish or frogs are put in their bags... to add variety to their daily meals.

REQUEST FOR INCREASED TAPIOCA QUOTA REJECTED BY EEC

Kuala Lumpur BUSINESS TIMES in English 19 Jul 83 p 6

[Text]

EUROPEAN Economic Community (EEC) officials turned down Thai Foreign Minister Siddhi Savetsila's request for an increased tapioca quota because the EEC's large cereals surplus made such a move impossible, EEC Commission sources said.

Mr Siddhi put forward the idea at talks with Commission president Gaston Thorn and vice president Wilhelm Haferkamp, saying Thailand had a problem of overproduction.

Thailand will export 4.6 million tonnes of manioc in the first nine months of 1983. It is allowed to export five million tonnes to the EEC in both 1983 and 1984 with an additional 500,000 tonnes spread over the two years.

The EEC has told the Thais there are some 35 million ECUs available for crop diversification to rubber, cashew nuts

and other crops.

Mr Siddhi said China has exported rather less tapioca than expected, which leaves room for more Thai material.

But EEC officials said the huge wheat surplus with the EEC meant it is not possible to comply with the request, the sources said.

BANGKOK: Thailand's exports of tapioca fell to 4.02 million tonnes in January-June this year from 4.15 million in the same period last year, Commerce Ministry sources said.

The sources said the value of exports rose to 11.6 million baht from 10 billion last year because of a recovery in price.

They said tapioca exports this year are expected to reach six million tonnes or about 16.4 million baht compared with 7.8 million tonnes valued at 19.8 million baht exported last year.
— Reuter

CSO: 4200/747

THAILAND

EX-CPT ACTIVISTS' LINKS WITH OFFICIALDOM REPORTED

Bangkok SIAM MAI in Thai 8 Jul 83 pp 12-15

[Article: "Inside 'Phin Bua-on,' the Counter-Strategy to 'Prasoet-ism'"]

[Text] "The present strategy in Policy 66 must be changed, otherwise it must be abandoned completely...."

In broad political circles at present, "Prasoet Sapsunthon" is a very well-known figure. He is well-known for being a "kun su" of the army, an advisor to the ISOC [Internal Security Operations Command] and the savant who set forth the line on democracy and the democratic revolution that was transformed into Policy 66/1980, which is now becoming a national policy.

But in narrow political circles, the name "Phin Bun-on" is known by various activist groups, labor activists and some groups of military officers and, in particular, by the Special Branch Division.

These days, during political conversations at the coffee shops, restaurants, hotels and flats, people talk about him as a clever tactician and intelligence seller and as a double agent.

But no matter what he does using some tactic and no matter what rumors he manages to spread, one of his main goals is to destroy his political enemy and the proponent of a political theory that still plays a major role in the army--"Prasoet Sapsunthon."

At a time when Prasoet Sapsunthon provides a base for maintaining ideological direction among military officers, Phin Bua-on is changing his tactics in order to replace Prasoet Sapsunthon. This is a battle to the end between two ideological savants in order to be able to play a role in serving government officials.

The Intelligence Sector and the Mass Base

His strength in the intelligence field has made him well known in the intelligence sector. It is said that there are at least five newspaper

reporters under the control of Phin. This is in addition to people in business circles and people in circles who have contact with politicians.

Phin himself is quite close to certain businessmen and politicians such as Bunchu Rotchanasathien. And it is well known that several of Bunchu's political disciples in the "black building" take their orders from Phin.

In building the mass base of Phin, what is clear is that, in labor circles, there are labor leaders who have been able to follow Phin's strategy and tactics. Such labor leaders include Piyachet Khlaekhlath and Nikhom Tengyai, or the Khurusapha group as it is called. This group controls education in the subordinate labor organizations. Controlling education refers to their base in disseminating the line of Phin's group in a very consistent way.

Between 1980 and 1982, the Phin-faction Khurusapha group took control of the education section of the Labor council. The group headed by Phaisan is now adrift because its important power base was seized by the Sawat-Ahmat group. And it was during this period that rumors of conflicts between the Khurusapha group and the Sawat-Ahmat group arose. In the election to elect the 1982-1984 labor executive committee, in the end the Khurusapha group sided with the Phaisan group.

It is said that this swing to the side of Phaisan's group by the Piyachet group was part of the struggle between Phin and Prasoet.

In the present period, the Piyachet group has moved its base and joined the Phaisan group as the education sector for labor relations.

And that is not all. It is using the tactic of joining hands with all forces in order to form a center to counter the group of Prasoet Sapsunthon, which is popular. That is, Prasoet's line, which grew into Policy 66/1980, is gaining many supporters. The prestige of Prasoet's group is rising. Several of the labor leaders in this group have become senators and so this is the time when Phin's group has to destroy the position of Prasoet's group as quickly as it can.

This attempt to pull together all the power groups can be seen from their efforts to meet with Somchai Rakwichit, who has the same enemies. Also, the political games that they are playing are very similar. For example, the power base of the Somchai group is with the laborers in the Om Noi and Samut Prakan areas or the Chom Phumpradap and Withan Koetkrung group.

From the standpoint of intelligence activities, Phin is the person with the greatest influence on government intelligence units. In addition to the Special Branch Division, military intelligence units have begun to use some of the services of Phin, too. For example, at the beginning of the year, Yotthong Thapthiumai, who is the right-hand man of Phin, visited the Indochina countries for several months. News sources in military intelligence units have admitted that this was proposed directly to military intelligence units.

As for the Special Branch Division, Phin used to have great influence during the period of Commander Ari Kirabut. And at present, he probably still has his old position since the Special Branch Division is still crawling with the agents of Commander Ari even though Ari himself was transferred and made deputy commissioner of the Central Investigation Bureau several years ago. At present, he still maintains contact with Police Colonel Siri Suchitkun, the deputy commander of the Special Branch Division. As for Police Precinct 6, Phin is still in frequent contact there.

From the Special Branch Division to the Army Operations Center

In February 1969, Phin Bua-on, wearing shorts and carrying his belongings, was arrested by officials near a train station in the Fang Thon area. At that time, he held a position in the Communist Party of Thailand. He was a member of the Central Committee and the No 7 person in the Political Bureau. He was responsible for the CPT's Central Zone.

Concerning his arrest, the CPT's Voice of the People of Thailand radio charged that he had actually surrendered to government officials.

That was the beginning of Phin's new role. He switched sides and began serving government officials.

He began his own businesses involving trucks and apartments. But what was important were his political activities. Besides serving as a ladder that could be used to reach his goal of playing a major political role, his political activities involved serving as an advisor to high-ranking police officers in the Special Branch Division. He was also in charge of the intelligence activities of this unit. It is believed that the secret government funds that this unit paid Phin for his ideas and information were a great source of profit for this former communist.

At the same time, his attempt to build a role for himself in organizing the masses was repudiated by all the democratic forces. The "14 October 1973 line" that he proposed to the students and people after 14 October 1973 using the pen name Amnat Yuthawiwat was harshly criticized by the student leaders of that period.

Because of his failure to win the support of the masses, the path he chose was very similar to that of Prasert Sapsunthon. That is, he has relied on government officials and used the money from various projects proposed to officials to support himself.

But the difference between the two is that Prasert has attached himself to military officers and stressed a theoretical line.

On the other hand, Phin has clung to the Special Branch Division and has stressed intelligence activities. He has also given attention to

theoretical and ideological activities but they have lacked the characteristics of a major strategy as compared with those of Prasoet.

And what is important is that Prasoet's base in the military has enabled him to play an increasingly larger role. The growth in both the size and influence of the Democratic Soldiers group in the army, all of whom are disciples of Prasoet, is proof of this.

One reason for this may be that Phin has been busy in the Special Branch Division. He has played a major role and had great influence. Because to this day, the intelligence activities of the Special Branch Division depend on Phin. But his position does not begin to compare with that of playing a role in military units such as the Army Operations Center. This has made Phin long to improve his position and play a role in the military.

But another important reason why Phin has to ingratiate himself in military circles quickly stems from the purge of Prasoet Sapsunthon.

From Nikon to Chawalit

The brains of the army is Lieutenant General Chawalit Yongchaiyut, who presently controls almost all the army's political activities. This is the person that Phin is trying to reach. One of his important achievements is the surrender of the communists in Zone 444.

In the army, it is said that the left and right hands of Lieutenant General Chawalit are Colonel Prasit Nawawat and Major Nikon Amamphai.

What is strange is that one of the right-hand men of Lieutenant General Chawalit, that is, Colonel Prasit Nawawat, is close to Prasoet while the other, that is, Major Nikon, is closer to Phin Bua-on.

"Chawalit wants to link both. But both are leaning in opposite directions. That is, Prasit thinks like Professor Prasoet. But Nikon is a disciple of Phin," said a news source in the Army Operations Center to SIAM MAI recently.

At one political discussion between Phin and political activists, at which Major Nikon Amamphai was present, Phin analyzed the situation of the CPT. It seems likely that he did this more to impress Major Nikon. This new analysis of the situation by Phin led to proposals to change strategy 66/1980, which was based on the thinking of Prasoet. "If we raise the level, it has to be destroyed," said Phin slowly but resolutely.

The Two Theorists Try to Purge Each Other

"Prasoet left the party a long time ago. His thinking is rather old-fashioned. We do not have any links with Prasoet at all and we do not agree with his proposals. Because actually, he never played a role in the CPT," said Phin clearly to SIAM MAI several years ago.

It can be said that the fight between these two theorists, who are fighting for supremacy, first began when the two took refuge with government units and relied on government funds. And it has continued until today.

There have been several ISOC situational reports that have mentioned Phin's untrustworthy behavior. It is thought that Prasoet was behind these reports. Similarly, but from the opposite side, there have been unfavorable reports by the Special Branch Division [concerning Prasoet].

From the standpoint of a theoretical line, these two have constantly proposed different things. Concerning the stage that these two have clashed on and on which they have confronted each other, they have used such weekly magazines as TAWAN MAI. At first, the Democratic Soldiers group and Prasoet were the ones who forced the issue in the hope that this would serve the ideology of Prasoet. But Phin's group tried to get in by going through people in the editor's office. The dispute was also waged in this magazine until it finally died down.

To summarize the main points of the dispute, they should soon join centers according to Policy 66/1980.

The fundamental principal of 66/1980 is to provide major freedoms in the cities in order to put an end to the CPT's armed struggle in the rural areas.

When large numbers of students and intellectuals began to surrender, Phin's group began to push the line "peaceful jungles, violent cities," or the "urban activities line of the CPT."

The thing that Phin summarized in order to present it--through Major Nikon--to the officers who control the political line of the military is that Strategy 66/1980 is a strategy for destroying the CPT's "rural areas surround the cities" strategy. But at the same time, the CPT has changed course and changed its strategy to a "two fronts, three strategic zones, strategy." This new strategy of the CPT is capable of achieving very good results. And the present strategy of 66/1980 provides good support.

The more freedoms there are in the cities, the easier it will be for the CPT to adjust to urban activities. This is the major thrust of Phin's argument.

In the middle of 1981, one group returned to the city from the jungle. With funds from the ISOC they began publishing the weekly journal WIKHRO. After they had published just a few issues, Phin's group tried to take control of the journal. Then the article "Three Strategic Zones, Five Fronts and Seven Parties" by Major Nikon Amamphai, who used the pen name "Sak Suwan" was published. This article was filled with the ideas of Phin.

All of this is a broad view of the movement by Phin to turn things away from the 66/1980 line of Prasoet to the new line of Phin. Concerning this, there have been internal reports that Phin presented his theory on the structure of society to high-ranking military officers at the end of last year in order to have them consider switching over to this new line.

The New Strategy and Urban Crisis

These days, this stout, well-dressed man with the bald head is still quietly but diligently carrying on activities. He stays at various second-class hotels but still manages to spend some time with his family. His children have now returned from China.

Phin frequently says of Prasoet that he knows only theory and doesn't know anything about tactics or intelligence and that he lacks a real sense of timing. At the same time, Prasoet thinks that Phin is just a rabble-rousing political activist.

For its part, the military is trying to figure out a way to use Prasoet on the theoretical front and Phin on the intelligence and tactical fronts in order to benefit as much as possible.

At present, the two theorists are trying to purge each other so that just one controls the national political line.

But what is even more interesting is that if it reaches the point of changing the [present] theory and then overturning the [present] strategy, will the line of Phin, who sees the urban activities of the CPT expanding, lead to new measures that are apprehensive about urban freedoms and will this lead to a crisis in the cities?

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CSO: 4207/143

EDITORIAL SUPPORTS HAN INITIATIVE ON CORRUPTION

Bangkok SIAM RAT SAPPADA WICHAN in Thai 10 Jul 83 pp 2, 3

[Editorial: "Influential People and Dark Powers"]

[Text] In his capacity as a senator, Lieutenant General Han Linanon, the commanding general of the Fourth Army Area, submitted a motion to the president of the Senate proposing that a special commission be established to study the matter of influential people, dark powers and laws, regulation and orders that are outdated and that are creating injustice in society. [He] feels that these problems pose an obstacle to bringing about justice and that they are preventing the country from moving toward a truly democratic form of administration. At the same time, these things are giving some groups an opportunity to use these things as tools to build up their power and pile up profits. This is creating war conditions with no end in sight.

This motion mentioned four objectives of the commission: 1. To build and develop a perfect democracy; 2. to exchange and develop ideas--on both the theoretical and practical levels--concerning the laws, regulations and orders that are not in accord with legal principles; 3. to find the weaknesses in the laws, regulations and orders and make proposals and suggestions on correcting them; and 4. to preserve the objectives in order to use the results of the commission's studies to solve the nation's problems.

Lieutenant General Han Linanon is a high-ranking officer who has conducted himself and carried out his duties in such a way that people in general agree that he supports and holds to the principles of a democratic system of administration and that he is convinced that only a democratic system can solve the country's problems and defeat the communists. Besides this, he has played an important role in changing the image of the military in the eyes of the people, who once thought that the military was interested only in using force and dictatorial power to solve the problems. Another way of saying this is that people's dream of seeing a democratic system implemented in Thailand may still come true.

For these reasons, it is understood that the above motion by Lieutenant General Han will receive good support from the other senators. This commission will have only limited powers and duties, that is, it will be responsible only for submitting recommendations on weaknesses and on ways to correct these weaknesses to the president of the Senate, with the president of the Senate passing these recommendations on to the government. As for what action the government will take on the recommendations, that is up to the government.

However, a fact that no one can deny is that there is a problem of influential people and dark powers in Thailand, and this problem has existed for a long time. The same is true for the problem of corruption, which has come to resemble an accepted value in society. People make special payments in order to make things convenient when they have to deal with government officials. And votes, or politicians, are purchased in parliament.

Concerning the influence or powers that are seen in political circles, it is believed that the government, which is responsible for administering the country, has to receive support or gain acceptance from other powers and that it does not have to rely on the support of the people. It is this idea that has eroded the faith of the people in the democratic system. And instead of the people who have influence over the government trying to change this or denying this, they have expressed satisfaction about this. They have in effect said that they are ready to use force to change governments again.

We hope that this Senate commission that will be formed to discuss the matter of influence and dark powers will consider the above problems. Because many of the senators are close to or in touch with these influential people and dark powers.

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CSO: 4207/143

SPECIAL BRANCH POLICE ARREST POLITICAL ACTIVIST

Bangkok THE NATION REVIEW in English 12 Jul 83 p 6

[Text]

A POLITICAL activist of the Democracy Confederation was arrested by Special Branch police on Friday on lese majesty charge and was denied visits and legal consultations, an informed source said yesterday.

The source identified him as Saman Kongsuphon, 32, who was picked up by men who claimed to have come from the Special Branch Division at his house in Pomprab area.

Saman, pharmacist graduating from Mahidol University, has been an activist working for the Democracy Confederation, the Consumers Power Group and the so-called Dok Rak Group.

The source said Saman was held on lese majesty charge but it was not known what it referred to.

He said Saman was held at Chanasongkram police station. However, police there said they did not have any suspect by that name.

Relatives of Saman were quoted as saying that when they went to Chanasongkram police station on Saturday they were told that the visiting hours were over and were asked to return the next day.

"But when they returned the next morning, they were told that no visit or bail is permitted," the source said.

CSO: 4200/9755

PULO LEADERSHIP SAID TO BE HIDING IN MALAYSIA

Bangkok THE NATION REVIEW in English 5 Jul 83 p 6

[Text]

MOST of the leading members of the notorious PULO terrorist movement are still in hiding in a Malaysian state bordering Thailand, according to a former Muslim terrorist who surrendered to Thai authorities recently.

Hayi Vani Salae, who is believed to be the No. 2 leader in PULO before his defection, was quoted by a Yala-based local newspaper as saying that PULO's leadership resides in Kelantan State and use Kotabaru as a meeting place to plot its activities.

Salae, a former kamnan of Tambon Lalor of Ruesoh District of Yala, told "Chao Tai" newspaper that the terrorist movement always used Malaysian soil as the springboard for their subversive activities against Thailand.

Salae, who surrendered to Thai authorities in late March this year, was said to be the most senior member of PULO to have defected. He was quoted as claiming to be second only to Tengku Bilor who is believed to be the leader of PULO.

He said Tengku Bilor is still residing inside Malaysia near the Thai border together with some of the high-ranking members of the terrorist movement.

The PULO insurgents, he said, often escaped into Malaysia after their operations inside Thailand. They also received support from local Malaysian authorities, he said.

PULO has been the most noto-

rious Muslim terrorist movements operating in the five southernmost provinces. It is also a recipient of financial support from some Middle Eastern countries, as well as Libya.

Salae, 45, was quoted as saying that after his defection he had been aiding Thai authorities in persuading remaining Muslim terrorists to surrender.

"I support the 'Tai Romyen Policy' of the commander of the Fourth Army Region and I have heard that things are improving in the South," he said, referring to the famous policy of Commander of the Fourth Army Region Lt Gen Harn Leenanond which places emphasis on political approaches and development in dealing with the problem of insurgency.

The former terrorist leader also said that another reason for his defection was his dissatisfaction with Tengku Bilor who was alleged to be "insincere" with Muslim people. Tengku Bilor was also said to have problems in financial matters.

Salae said Tengku Bilor had mishandled funds channelled to the movement from abroad. The Muslim leader had kept the money for personal use, forcing the guerrillas to extortion to survive, he said.

Local army authorities confirmed that Salae had been one of the most influential men in PULO.

Before his affiliation with PULO, Salae had worked as a defence volunteer fighting against Muslim insurgents. He decided to join PULO after he was contacted by Tengku Bilor while was on a pilgrimage to Mecca. Salae said he spent most of his time inside Kelantan.

Malaysian authorities have been denying that they have supported Muslim terrorists against Thailand.

CSO: 4200/9755

PUBLISHER VIEWS KAMPUCHEAN PROBLEM

Bangkok LAK THAI in Thai 7 Jul 83 p 50

[Article by Rattanayapraphat: "The Kampuchean Problem, Whose Turn Is It?"]

[Text] At a time when the tropical monsoons are pounding the northeastern region of Thailand, the storm of world war has "blown" the foreign ministers of friendly democratic countries together in Bangkok for the first time. This is because the Kampuchean problem is about to burst following Vietnam's military occupation, which has now lasted for more than half a decade.

Concerning Kampuchea's occupation by Vietnam, speaking frankly, this is a problem for the people of just three countries on the Indochinese Peninsula, that is, Kampuchea, Vietnam and Thailand. But since Vietnam is on one side and Thailand is on the other, with each side having many allies, the Kampuchean problem has quickly become a world problem. It is believed that if the Kampuchean problem is not solved in a just way, there will be a major war in the region even though a real war inside the country has been going on and expanding for years now, with China still holding the tail of the Khmer Rouge of Pol Pot and Khieu Samphan and refusing to let go.

The conference of foreign ministers from democratic countries that was held in Bangkok during the last week of June began with a meeting between the five members of ASEAN. But what is most important is that the conference was also attended by the foreign ministers of countries that were involved with the ASEAN treaty, that is, the United States, Australia, New Zealand, Japan, Canada and, in particular, the European Economic Community. As I am writing this, the conference is still underway. And as of now, no statement, either official or unofficial, has been issued. But concerning this conference, it is fair to assume that they are discussing the best way to solve the problems and persuade Vietnam to withdraw its troops from Kampuchea in order to bring about peace and neutrality in this region.

Stated simply, they are discussing the best way to induce the "tiger" to drop the "meat in its mouth."

In the view of people in general, or from the standpoint of common sense, there is no tiger anywhere that will "drop the meat" unless another tiger comes and takes the meat from it. However, the Vietnamese tiger is not the only tiger that has come in search of prey. Behind it is the Soviet tiger, the East European tiger and several African tigers. Thus, even though China is threatening Vietnam to get it to release Kampuchea, this has not alarmed Vietnam at all and has even made them laugh.

What is even more important is that if Kampuchea is easily swallowed up by Vietnam, the "deers" behind Kampuchea will be swallowed up by Vietnam too. These "deers" over which Vietnam is drooling refers to the five ASEAN countries that are trying to join forces. If we do not join together, we will die. Only by joining together to fight Vietnam can we survive. Thus, it is essential that the "forest-animal lovers" get involved in order to provide protection before it is too late.

But how much protection can the "forest-animal lovers," which includes the United States, Australia, Japan, New Zealand, Canada and the European Economic Community, provide the "deers" and what can be done to get the Vietnamese tiger to release the meat without having to use weapons? This is something that will require much more thought even though the conference among the six countries concerned with the ASEAN treaty is about to end.

However, there is one point of conflict among those who want to protect the "forest animals." This concerns the view of Mr George Shultz, the U.S. secretary of state. He feels that it is now our turn to take the initiative and that something must be done quickly. He does not think that things should be left to drag on any longer. But Bill Hayden, the Australian foreign minister, feels that the "ball is now in Vietnam's court." He feels that it would be difficult for us to do anything now except to try to coax Vietnam to release Kampuchea from its grasp. Not only does Mr Bill Hayden disagree with the views of Mr George Shultz, but, in Bangkok, he also told the five ASEAN countries that he was going to visit Hanoi after the conference in order to ask Vietnam what it meant when it referred to "neutral Kampuchea."

The Kampuchean problem, which has been dragging on for more than half a decade now, will probably continue to drag on since we have run up against the problem of "whose turn it is." Before people can decide whose turn it is, Kampuchea will probably become a huge, bloody battlefield again regardless of whether Vietnam agrees to pull back its forces 30 kilometers from the Thai border as proposed by Air Chief Marshal Sitthi Sawetsila, the Thai minister of foreign affairs, and agreed to by ASEAN. This is because China feels that it is always China's turn and that it is China's right to look after the "forest animals" in this region.

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CSO: 4207/143

THAILAND

PROBLEMS, POSSIBLE SOLUTIONS FOR MINERALS INDUSTRY EXPLORED

Bangkok PATINYA in Thai 11 Jul 83 pp 18-21

[Article: "The Plan to Exploit the Mineral Sources: The End of Our Debt Or the End of Us?"]

[Text] During the television interview of Mr Op Wasurat, the minister of industry, on developing mining in Thailand by allowing foreign companies to make aerial surveys of the mineral [resources], the minister of industry said that this can be completed nationwide within 5 years instead of the 60 years that it would take using older methods. He hopes that, following that, we will be able to exploit our minerals to help get the country out of debt.

Regardless of whether this interview was given in order to gain support in competition with the other parties in the government or to announce actual progress made by the country, if large deposits of minerals were discovered and if these minerals were exploited, would things really be brighter for Thailand as is hoped?

Thailand's Mineral Situation

From Grade 1 on, we have been taught that Thailand's four important export items are rice, teak, para rubber and tin. Even though other items are now more important, tin is still one of the 10 most important items.

But tin is not the only mineral that we have. We have many other minerals that have great economic and industrial value. This includes lignite, gypsum, fluoroite, manganese, iron, antimony, tungsten, lead, aluminum and various precious stones. Besides this, we have minerals that are important elements in industry. These include barite, chalk, clay, limestone, "horse-tooth" rock, quartz, mineral salts and saltpeter, which is used to produce soda ash. We also have minerals, such as potash, that are used to make fertilizer and minerals such as crude oil and natural gas that produce energy. There are even radioactive elements such as uranium and thorium, which are now being surveyed and put to use. But even though we have many types of minerals that have been put to use domestically and exported, which brings billions of baht in foreign currency into

the country each year, since 1979-1980, the production and export of minerals has declined. This has directly affected the revenue of the country and the incomes of those who mine minerals. The depression in the mining sector stems from problems on various fronts, including the foreign situation, the measures implemented by the government and the mines themselves. For example: 1. The world-wide economic recession has resulted in a decline in demand for minerals on the part of the industrialized countries. This has caused mineral purchases and prices to fall on world markets. There is probably no way out of this except to wait for the economy to improve. It is hoped that everything will be better within the next 2 to 3 years.

2. The high interest rates on loans, which have risen greatly in the past several years, have resulted in the investments of the mines increasing. And production expenses, such as wages, fuel costs and equipment expenses, have increased. At the same time, prices for minerals have fallen. This has forced many mines to cut back production and some have suffered losses. Many mines have just managed to survive the crisis.

At the beginning of the year, the mining groups, especially the tin miners, asked the government to set a new fee rate. This new rate will result in the state's revenue being reduced by 300 million baht a year. But this will greatly help those engaged in tin mining.

3. The use of improper mining techniques has resulted in small quantities of ore being obtained and the ore is dispersed. Besides increasing production costs, this has destroyed our mineral sources. Concerning this, government units have not provided much support or guidance or supervised things. They have just let the people engaged in this work find techniques on their own. Government officials have given most of their attention to conducting surveys and finding new sources of minerals. They have shown little interest in finding ways to obtain the greatest benefits from the minerals discovered.

4. The inefficiency of government officials in supervising mining operations to see that they are conducted in accord with the law has resulted in people carrying on mining operations in the concessionary areas of other people and without permission. Besides unwittingly destroying the mineral sources as in Paragraph 3 above, this has led to armed conflicts in which people have been killed. Corruption has arisen among the officials who are responsible because of the great profits to be made from these minerals. This has given birth to a system for smuggling ore out of the country. The effects of the conflicts are felt all along the path of the smuggled ore. Besides the fact that the government has lost revenue from uncollected taxes, this has also caused very severe social problems--almost national-level problems--such as the Khao Sun, Doi Ngom and Themco affairs and the case of the Satun police superintendent.

5. Concerning the measures for closing the forests, which officials have claimed has been done in order to protect the forest reserves or headwater areas, and the problems with the various terrorist groups, in many areas these measures implemented by government officials are just measures of last resort. Of the 450 forest areas, the government, citing the above reasons, has closed 341 areas. But there are more than 90 forest areas that are not concerned with the above claims by government officials. More than 500 mining operations have had to wait for more than 3 years to obtain permission. Actually, solving this problem depends on the government officials who are directly responsible for supervising things and solving these problems.

6. Concerning the environmental problems in various areas, if improper mining operations are allowed to continue, the environment will be destroyed. In this matter, the government must arrange conferences to discuss the good and bad points and make decisions on what to do. In many cases, the environmental problems can be solved using technology. But in some cases, this will increase production costs. Government officials can help by providing knowledge and by lowering taxes on the equipment imported to solve these problems. But as of today, these problems have not been solved, and the way out chosen by the government is to revoke the concessions whenever pressure is applied. This lack of direction in carrying on things has caused those engaged in mining to lose heart in mining or in doing things in a legal manner.

A Good New Policy--But Mining

It can be seen that the problems in the tin mining industry do not stem from a lack of ore to mine but from the world market situation, the inefficiency in mining operations, the [poor] control of smuggled ore and the fact that the owners of the concessions have not fully mined their areas. Thus, even if the government conducts surveys and finds many more mineral deposits in the next 5 years, if these problems continue to exist, the profits to be made from these mineral deposits may cause greater conflicts in Thai society.

Concerning the government's efforts to earn basic revenues from ore and agricultural products, it is true that the minerals will one day be depleted. But agricultural products can continue to be obtained forever. Thus, in formulating a policy on using these mineral resources, great care must be taken and much thought must be given to the future. In stipulating policies on the mining industry, attention must be given to the following: 1. Minerals that exist in only small quantities should be preserved. Because in the future when there is new technology, we may be able to make greater use of these minerals. For example, who would have thought that, one day, the minerals that were once sold to make glass could be processed into radioactive materials or that crude oil could be processed into food products.

2. If it is necessary to mine ore, things must be done in the most economical way possible, starting from supervising the mining to prevent dispersion and to ensure that the smelting is done properly. Other products may be obtained along with the minerals resulting in nothing being left and causing problems for the environment. For example, the natural gas may not be burned rectly but other materials may have to be separated out and used up first.

3. In exporting minerals, minerals should not be exported in raw form. They should first be processed or turned into consumer goods here. This will create jobs and increase the price of our raw materials. We will earn a much greater income from this than from collecting taxes directly on these raw minerals.

4. By mining minerals that will support the agricultural sector, for example, by mining potash to produce fertilizer or extracting fertilizer from the petrochemicals, which are a by-product of oil production, Thailand will obtain large quantities of low-cost fertilizer and it will be possible to use them to produce agricultural products in place of mineral products if it is necessary to preserve the minerals.

5. Clear policies and measures must be stipulated. Mining operations will damage the environment and affect the tourist industry (which must be stressed since tourism does not require us to use any resources). Or if it is necessary to carry on mining, the operations must be supervised to ensure that they do not harm the environment. This must be done by relying on technology and not just by prohibiting mining operations.

6. Illegal mining operations must be resolutely suppressed. These must not be ignored to the point where this becomes a problem that "involves one's friends," as is the case today.

If the government cannot solve the problems, it should preserve the minerals for others who can solve the problems and make them responsible for things. Stubbornly allowing the resources to be destroyed because of not being able to control things amounts to destroying the nation indirectly. And when the day comes that the minerals have been exhausted, the country will decline. Those who will blame us will be our children, who will blame their parent's generation for "consuming" the nation, with the debts continuing to pile up.

| Old Rate | | New Rate | |
|--------------------------------------|----------------------|--------------------------------------|----------------------|
| Price of tin per 60 kilograms (baht) | Export fee (percent) | Price of tin per 60 kilograms (baht) | Export fee (percent) |
| 1-3,000 | Exempt | 1-3,000 | Exempt |
| 3,001-6,000 | 20 | 3,001-10,000 | 20 |
| 6,001-9,000 | 25 | 10,001-10,500 | 40 |
| 12,000-15,000 | 30 | 10,501-16,500 | 45 |
| Over 15,001 | 40 | 16,501-17,000 | 50 |
| | | 17,001-17,500 | 55 |
| | | Over 17,5001 | 60 |

Source: Economic Journal, Economics and Market Research Center, Bangkok Bank Ltd.

Production of Important Minerals (tons)

| Type | 1976 | 1977 | 1978 | 1979 | 1980 | 1981 | 1982 |
|----------------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| Tin | 27,921 | 33,044 | 41,207 | 46,364 | 45,985 | 42,968 | 35,644 |
| Tungsten | 3,986 | 4,275 | 6,181 | 3,454 | 3,209 | 2,267 | 1,579 |
| Lead | 2,127 | 1,271 | 3,944 | 20,515 | 24,847 | 40,667 | 41,218 |
| Antimony | 8,107 | 6,145 | 6,835 | 7,010 | 5,936 | 2,826 | 1,480 |
| Manganese: | | | | | | | |
| Battery grade | 3,230 | 4,753 | 6,633 | 5,827 | 2,716 | 3,095 | 2,016 |
| Metal grade | 46,865 | 72,137 | 60,497 | 29,496 | 51,573 | 7,817 | 5,167 |
| Chemical grade | 130 | 64 | 77 | 42 | 11 | 5 | 12 |
| Iron | 25,000 | 63,470 | 88,121 | 103,101 | 84,966 | 62,472 | 26,750 |
| Gypsum | 267,822 | 380,096 | 280,904 | 352,398 | 411,977 | 540,383 | 723,233 |
| Lignite | 680,343 | 438,569 | 638,940 | 1,356,467 | 1,487,165 | 1,686,044 | 1,744,809 |
| Fluorite: | | | | | | | |
| High grade | 128,529 | 164,314 | 175,531 | 177,730 | 182,652 | 157,311 | 153,116 |
| Low grade | 71,835 | 75,490 | 84,255 | 82,121 | 121,659 | 113,667 | 94,199 |
| Marl | 435,000 | 584,721 | 1,459,680 | 2,261,700 | 1,938,568 | 1,786,655 | 457,525 |
| Barite | 151,343 | 118,466 | 274,564 | 378,654 | 305,057 | 307,046 | NA |

Source: Department of Mineral Resources; Department of Customs.

Export of Important Minerals Quantity [Q]: tons
Value [v]: millions of baht

| Year | Tin | | Fluorite | | Barite | | Tungsten | | Antimony | | Other | |
|------|--------|--------|----------|-----|---------|-----|----------|-------|----------|-----|---------|-----|
| | Q | V | Q | V | Q | V | Q | V | Q | V | Q | V |
| 1976 | 20,048 | 2,973 | 284,287 | 265 | 87,157 | 56 | 4,062 | 532 | 6,017 | 99 | 117,482 | 58 |
| 1977 | 21,437 | 4,542 | 241,459 | 229 | 94,245 | 58 | 3,971 | 798 | 3,990 | 80 | 163,461 | 132 |
| 1978 | 28,934 | 7,229 | 205,697 | 206 | 195,122 | 107 | 5,774 | 1,020 | 5,594 | 85 | 140,919 | 156 |
| 1979 | 31,308 | 9,252 | 219,390 | 252 | 288,852 | 192 | 3,609 | 620 | 5,682 | 108 | 167,806 | 262 |
| 1980 | 33,955 | 11,347 | 226,305 | 314 | 361,400 | 282 | 3,637 | 647 | 5,704 | 109 | 236,769 | 362 |
| 1981 | 30,074 | 9,091 | 221,838 | 332 | 229,595 | 232 | 1,993 | 379 | 5,268 | 90 | 268,200 | 413 |
| 1982 | 26,013 | 7,986 | 174,917 | 318 | 285,928 | 297 | 1,395 | 200 | 2,922 | 39 | 429,125 | 903 |

Total

| | Total | |
|------|---------|--------|
| | Q | V |
| 1976 | 519,053 | 4,046 |
| 1977 | 528,563 | 6,413 |
| 1978 | 582,049 | 8,825 |
| 1979 | 716,647 | 11,646 |
| 1980 | 867,770 | 14,935 |
| 1981 | 756,968 | 11,856 |
| 1982 | 920,300 | 9,743 |

Source: Department of Mineral Resources; Department of Business Economics.

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CSO: 4207/142

THAILAND

SODA ASH PROJECT MAY HAVE DOUBTFUL FUTURE

Bangkok LAK THAI in Thai 21 Jul 83 pp 21, 22

[Article: "Will the Soda Ash Project Become a Reality?"]

[Text] It never occurred to us that Thailand's ASEAN project, which is known as the "Soda Ash Project," would encounter such serious problems that it is about to fail after several successive governments have supported it for at least 6 years.

For the past year, the Soda Ash Project has fallen victim to a severe economic and political crisis, and there have been many problems. The first problem that has caused this project to come to a halt is that there have been disputes about where the plant should be located.

In the past, the Thai Nation Party has wanted to have this project located at Laem Chabang. But the Social Action Party and the National Economic and Social Development Council have wanted it located near the industrial zones along the eastern seaboard in Rayong Province.

The second problem that has long delayed this project is that the Development Council does not feel that this project will be worth the cost. This project will require an investment of approximately 8.6 billion baht but will yield a profit of only 8.9 percent of the money invested.

Besides this, another thing that has delayed this project is that some of the people involved in this project and some citizens are afraid that this project will lead to environmental problems that will affect the Guld of Thailand. Thus, they are opposed to this project.

From this clear enumeration of the problems, it can be seen that, in the past period, the Soda Ash Project has shown rather serious signs of coming to a halt. And about a month ago, the project seemed to be on the point of sinking.

The reason why this project seems to be in a much worse state than before is that the private shareholders in this project, which includes nine domestic glass companies that joined together to purchase shares, have

submitted a proposal to the government stating that they wish to sell all their shares in this project to the government.

This attitude of the private shareholders has greatly alarmed the government, particularly the Ministry of Industry, which is directly responsible for the matter. This is because these nine private companies hold 50 percent of the shares.

The fact that these private shareholders desire to sell all their shares to the government is tantamount to wanting the Thai government to own 60 percent of the shares since the government has held only 10 percent of the shares in this project.

As for the arrangement of shareholding in the Soda Ash Project, since this is an ASEAN project, by principle, Thailand is entitled to hold 60 percent of the shares. Malaysia, Indonesia and the Philippines will each hold 13 percent of the shares. Singapore is to hold only 1 percent of the shares.

"The reason why we have decided to sell our shares to the government is that private investors like us are uncertain about what the government really intends to do about this project. This project has suffered long delays," said a news source who is a shareholder about the problems that have arisen.

The private investors have been very worried about the policy on investing in this ASEAN project. Because this is an important project that the government has reviewed very often concerning both profits on investments and the production system.

Actually, reviewing things concerning the problems that have arisen, regardless of whether they concern investments, profits to be earned from investments or a production system that will provide guarantees against environmental problems, will take more time to complete.

But to date, the reviews of the problems of this project made by the government or government units, including the Development Council and the Ministry of Finance, have been very slow. Many people, especially the private investors, feel that this attitude is a game of the government, which does not want this project to proceed.

"I think that the government is dragging its heels on this project. This is probably because it has a new toy now, that is, the national fertilizer project the will produce fertilizer for the farmers. This project will produce ammonium chloride, which is in line with the fertilizer project. The government may feel that this is just duplication and so it doesn't want this project to proceed," said a news source to LAK THAI.

The facts concerning the soda ash production process of this ASEAN project are that this project will use a production process known as the "AC process." This is a process that yields soda ash. Ammonium chloride will also be produced at a rate of approximately 600,000 tons a year. This can be used for fertilizer. At the same time, this production of fertilizer overlaps the work of the national fertilizer project.

It is clear that the Soda Ash Project is encountering more and more problems. And what is most serious is the attitude of the private investors, who are the ones who will determine the fate of this project. They have put pressure on the government to stipulate a definite policy on this project.

These shareholders have stated flatly that if the government does not stipulate a definite policy on this project, they will call a meeting of the company that holds shares in this project, which is known as the Soda Ash Shareholding Company, and dissolve the company, which would be tantamount to putting an end to this project.

These are the problems that have arisen with the Soda Ash Project. This project, which was to be located in Thailand, shows signs of going into a coma while ASEAN projects in other countries, including Malaysia, Indonesia and the Philippines, have almost been completed, with some already in production.

Only Thailand's ASEAN project is still in limbo.

11943

CSO: 4207/143

THAILAND

PERSONNEL STRENGTH, POSSIBLE REORGANIZATION OF POLICE DEPARTMENT REPORTED

Bangkok SU ANAKHOT in Thai 3-9 Jul 83 pp 22-26

[Article: "An Operation On the Police Department; In Its Next 'Life,' It may Be True"]

[Text] "The honor of the Thai police. Honor, discipline, bravery, security.... If people are killed, so what? I have never paid any attention to life."

It cannot be denied that there is more to this than just a jest due to the playful nature of Thais. Rather, it also reflects the bitterness of people toward some of those known as "protectors of public order," a majority of whom may in fact act as described in the song.

There is constant talk about the unreliableness of the Police Department. For example, the Special Subcommittee on Improving the Work of the Police Department wrote in its report that "the operations (of the Police Department) are inefficient. This causes the people to lose much time when they have business with police officials. This has led to problems concerning agents and to corruption. Some police officers do not conduct themselves properly. They do not speak politely with the people. Some police officials are interested only in tasks that will bring them a profit. The people do not dare provide help in having bandits arrested and avoid having to serve as witnesses since witnesses and secret agents are not given adequate protection...." And another section clearly states that the main problem that the Police Department is now facing is the dissatisfaction of the people with the Police Department.

In short, the state has not been able to take steps to have the police serve the people in accord with the goal of having the police be protectors of public order and upholders of the law since it is often the police who violate the laws. And it has not been possible to gain the trust or cooperation of the people, who are an important element in the work of the police. This loss does not stop with just a particular group. It has spread and become a general weakness of the Police Department, which has to put up with an image that needs to be improved.

The Basic Problem and the Truth

Concerning the basic problem of the police at present, looking at things fairly, the corruption that is found at all echelons is not just a matter of morality. It's true that we can say that the police officials do not carry out their duties properly because they lack a sense of serving the people as upholders of the law and do not have ideals. But how can we expect the police to have morals when we give them guns and power and make them responsible for the lives and property of the people but pay them very little for the work that they do? For example, the lowest-ranking policeman is paid only 1,255 baht a month. That is lower than the minimum wage paid to unskilled laborers.

On one hand, police officials have to work [be on call] 24 hours a day and are never done serving the people. On the other hand, they make use of the administrative loopholes that give the police unlimited powers to make profits to supplement an income that is not enough to live on. Many people have started to see the necessity of solving the problems in which the work system and structure of the organization is overlapping and unsystematic. There are several commands that do not work well together. And actually, the Police Department has never really been overhauled or changed in a professional way. Thus, there is much truth to the charge that part of the problem is due to the structure of the Police Department.

The Structure--What's the Best Way to Go?

The Subcommittee on Improving Police Department Administration, the chairman of which was Major General Praman Adireksan, the former deputy prime minister in the previous cabinet, has studied this matter and proposed two new forms for the Police Department. As for the first, the Police Department will retain its original form and remain subordinate to the Ministry of Interior. However, the internal system will be changed by combining some jobs and eliminating some parts. In its report, the subcommittee stated that this form will "reduce the friction between the central administrators and the regional administrators. At the same time, the people will receive better service from the police at the police-station level than is presently the case."

Based on this structure, some headquarters will be eliminated, and various bureaus to assist the director-general of the Police Department will be established. People have criticized this, saying that this will give too much power to the assistant directors-general and that the director-general and the deputy directors-general will be isolated. Some assistant directors-general, such as the assistant director-general for the provincial 1-4, who is responsible for four regions and who is the equivalent of a commander, will be the only ones responsible. It is feared that this will make it difficult to supervise things. But the special subcommittee said that this is being done in order to generate greater flexibility by having police activities terminate at this level and not having everything go to the center as at present.

Another thing that is important for the subcommittee's proposal is that importance has been attached to improving things at the police-station level, which is considered to be the heart. This can be divided into four levels: police stations in large cities, police stations in ordinary cities, police stations in rural areas and police stations in communes. It is thought that dividing things according to actual local conditions will facilitate operations better than at present, in which the form of the police stations is inflexible with no attention given to local conditions. Besides this, four primary tasks have been stipulated for the police stations: suppression (inspection command), investigation, youth and police volunteer activities, and administration. In large cities, there will be four additional tasks: traffic, vice, special operations, and tourism.

The second form proposed by the special subcommittee is to organize a police organization in the form of the National Peacekeeping Committee and make it directly subordinate to the prime minister. The director-general of the Police Department would be like the director of a national police organization. The bureaus would be equivalent to a department and commanders would have the status of a director-general. What is important for this structure is that provincial-level peacekeeping subcommittees would be formed. These would be composed of people from the province and would be subordinate to the National Peacekeeping Committee.

The idea of having the people play a part in stipulating police policies stems in part from the accomplishments of the Japanese police. This is considered to be the most important point in this structure since the people should have a part to play in the affairs of the state, which wants the cooperation of the people. And regardless, present police activities cannot escape the political pressure. Thus, the police should be supervised by the political powers in accord with democratic principles. That is, the police should be controlled by the representatives of the people. According to this idea, a representative of the people in each locality will participate on the provincial-level peacekeeping subcommittee.

Besides this, the past subcommittee proposed that the salaries paid to police officials be revised so that officials earn enough to live on and so that their pay is in accord with their duties. Because if this is not done, even if the structure is changed, there will not be any drop in corruption.

However, some have said that it will not be possible to implement this second type of structure. Because allowing the people to play a part in supervising the police is tantamount to reducing the power of the police. And "it is well-known what our villagers are like. They are not very interested in such matters. I am not looking down on them," said one police official. Others have said that they are afraid that the people who represent the people will be influential people, which would only make the situation worse. Besides this, many others are confused

about organizing the system and about reducing and changing powers according to this new system.

Nevertheless, there are several principles put forward by the subcommittee that police officials agree with and think should be put into effect even though they think that these two structures are inappropriate. An example is the importance attached to the levels of the police stations, which are considered to be the heart of police activities. They are the units that directly serve the people and that are closest to the people. In the past, everything has ended up at the police precinct and tasks have been divided by type, which has meant that the police stations in a police precinct have divided control into station levels, such as who is going to be responsible in each locality. Everyone agrees that these things should be discussed.

At the same time, there are reports from within the Police Department that another structure in the form of a bureau will be proposed. This bureau would be independent or subordinate to the Office of the Prime Minister or the Ministry of Interior. Roughly, the bureau would be composed of four or five departments, such as a provincial police department, a central investigation department, a municipal police department and a police education department. Those who have proposed this claim that this will help disperse power. It would be possible to form a bureau because the present activities of the police are very broad and complex. Another reason put forward by Police Lieutenant General Banthoeng Kampanat-saenyakon, the assistant director-general of the Police Department, in his capacity as a member of the Subcommittee to Improve Police Department Administration is that "this will eliminate the problem of people fighting to become generals, and carping and in-fighting will decline since all will be generals. And no money will be wasted since almost all will receive the same top salary. This will do much to solve the problem of jealousy."

At the same time, the criticism that has been leveled against many of the committees that have been formed to solve the problems of the Police Department concerns the study methods. One scholar said that the present way of studying the problems is to use high-ranking people involved, with some coming from outside and some being retired police officers, since it is believed that these people have experience. They sit around a table and discuss the problems but do not really come in contact with the problems. "Using the new methods, they do not do things this way. It's true that these people may have experience. But they gained their experience several years ago and so their experiences are not relevant to the present. The situation has changed. Now, gaining actual first-hand knowledge, finding out about the problems and solving the problems one by one is considered to be a better method. I want them to start from small things and gradually progress on up rather than to start at the top and work down. Because structurally, the upper echelon exists because of the lower activities, that is, activities at the level of

the police stations. If there were no police stations, there would be no Police Department and so this is not the right point to focus on."

Thus, the problem of whether to change the structure and if so how has been "up in the air" for a long time. One reason why things have proceeded so slowly is that there have constantly been changes of administration. This matter first came up during the administration of General Kriangsak Chamanan. A committee was established to discuss improving the structure and administration of the Police Department. But the committee did not complete the work in time to produce any finished results since the government of General Kriangsak resigned before it could produce any results. Then, during the administration of General Prem Tinsulanon, a Committee to Reform the Bureaucracy and Bureaucratic Regulations and a subcommittee to discuss these problems were formed as mentioned above. The results of the study, which proposed the two forms [discussed above], have become "stuck" at the National Research Council and at NIDA, which are the organizations that will conduct studies to determine the feasibility of the structures proposed in accord with the needs of the Reform Council. But it is believed that this study will not bear fruit since the institutions have not received the 3 million baht that they asked for to conduct the study. This money was requested last year.

"If the changes were made in accord with the structures proposed, nothing would improve as far as the Police Department is concerned. But the people would benefit. But it's difficult to find anyone who is sincere about making changes to benefit the people. Because those who have great power naturally do not want an investigation conducted. For them, everything is fine as it is. They have great power and are not surprised. They can do what they want and always have excuses to save themselves," said one member of the subcommittee to study the problem of Police Department administration. "In particular, concerning having the people play a part in investigating things, who wants to cut off his own finger."

Besides this, concerning some changes, such as the proposal to increase the salaries of police officials, of which there are a total of 140,000 officials, of which approximately 20,000 are commissioned officers, it can be seen that even if the salaries of just the low-ranking police officials are increased, the government will have to pay a large amount for additional salaries. "There is very little hope of this being done. There may be a slight increase but it will probably be very small--less than one-fourth of what it should be," said the same committee member.

Summary

Thus, concerning the new appearance of the Police Department that many people have tried to bring about, it is clear that there is very little chance of the proposals being implemented. And if the proposals were

actually implemented, the question is whether these forms would be a new victim for those who hold power. Because at a minimum, things must pass a police committee, on which are many people who still want power to belong to the police. Concerning maintaining the power of the police, if things are done in an unreasonable and unsystematic manner in the Police Department, nothing will have really changed even if there are some changes in form. Another thing that is true is that the politicians who are trying to gain power pose an important obstacle to changing the structure of the Police Department.

Improving the structure of the Police Department, which has been under consideration for so long now, is an interesting matter that is once again showing the people how sincere the government is toward the people.

Chart Showing Present Police Department Sectors and Number of Personnel
(Units directly subordinate to department)

| POLICE DEPARTMENT 29 | | | -- | | |
|-------------------------|------|-----------------|-----|------------------------------|------|
| Office of the Secretary | 105 | Personnel Div | 155 | Central Investigation Bureau | 22 |
| | 125 | | 225 | | |
| Quartermaster Division | 517 | Technical Div | 32 | Operations Div | 90 |
| | 249 | | 57 | Div | 160 |
| Welfare Division | 31 | Finance Div | 74 | Special Branch | 390 |
| | 249 | | 186 | Division | 1640 |
| Foreign Affairs Div | 36 | Legal Affairs | 60 | Criminal Records | 53 |
| | 30 | Div | 86 | Office | 279 |
| Immigration Div | 284 | Office of the | 58 | Scientific Crime | 99 |
| | 600 | Inspector-Gen | 62 | Detection Div | 90 |
| Communications Div | 155 | Research and | 32 | Registration Div | 128 |
| | 502 | Planning Div | 114 | | 305 |
| Alien Registration | 79 | Police Aviation | 32 | Railway Police | 66 |
| and Taxation Div | 111 | Div | 238 | Div | 652 |
| | | | | Marine Police Div | 219 |
| Police Fire Brigade | 133 | Medical Office | 482 | Highway Police | 240 |
| Division | 1267 | | 363 | Div | 1639 |
| | | | | Forestry Police Div | 58 |
| | | | | | 495 |

Royal Household Police
Division 9

Total number of police officials
15,063 commissioned officers
119,478 Non-commissioned officers

| | | | | | | |
|----------------------------------|-----|-----|--|------|---|------|
| Police Education Bureau | 32 | 122 | Commissioner's Office of the Metropolitan Police | 15 | Commissioner's Office of the Provincial 1 | 8 |
| Planning and Operations Division | 53 | 55 | Operations Division | 109 | Operations Division | 199 |
| Police Academy | 84 | 340 | Children's and Youth Welfare Division | 55 | Investigation Div | 22 |
| Detective Training School | 13 | 29 | Traffic Police Div | 107 | Provincial Div 1 | 717 |
| Police Sergeants' Academy | 12 | 45 | Inspection and Special Operations Div | 163 | Provincial Div 2 | 700 |
| Metropolitan Police Academy | 26 | 159 | Northern Bangkok Metropolitan Police | 558 | Provincial Div 3 | 699 |
| Provincial Police Academy | 186 | 889 | Southern Bangkok Metropolitan Police | 2902 | | 5725 |
| | | | Thonburi Metropolitan Police | 2093 | | |
| | | | Alien Affairs Division | 381 | | |
| | | | | 2231 | | |
| | | | | 63 | | |
| | | | | 193 | | |

[Police Department]

| Commissioner's Office of the Provincial 2 | 14 | Commissioner's Office of the Provincial 3 | 11 | Commissioner's Office of the Provincial 4 | 11 |
|--|-------------|--|-------------|--|-------------|
| | -- | -- | -- | -- | -- |
| Operations Div | 113 286 | Operations Div | 123 250 | Operations Div | 109 195 |
| Investigation Div | 11 48 | Investigation Div | 9 100 | Investigation div | 16 59 |
| Provincial Div 4 | 623 7624 | Provincial Div 7 | 527 8178 | Provincial Div 10 | 389 3907 |
| Provincial Div 5 | 477 6007 | Provincial Div 8 | 435 4395 | Provincial Div 11 | 357 4693 |
| Provincial Div 6 | 681 8578 | Provincial Div 9 | 375 3343 | Provincial Div 12 | 473 5632 |

[Police Department]

Commissioner's Office of the Border Patrol Police 14
22

BPP Operations Div 132
310

BPP Aerial Support Div 74
1221

BPP Support Div 123
316

Special Training 186
Div 1280

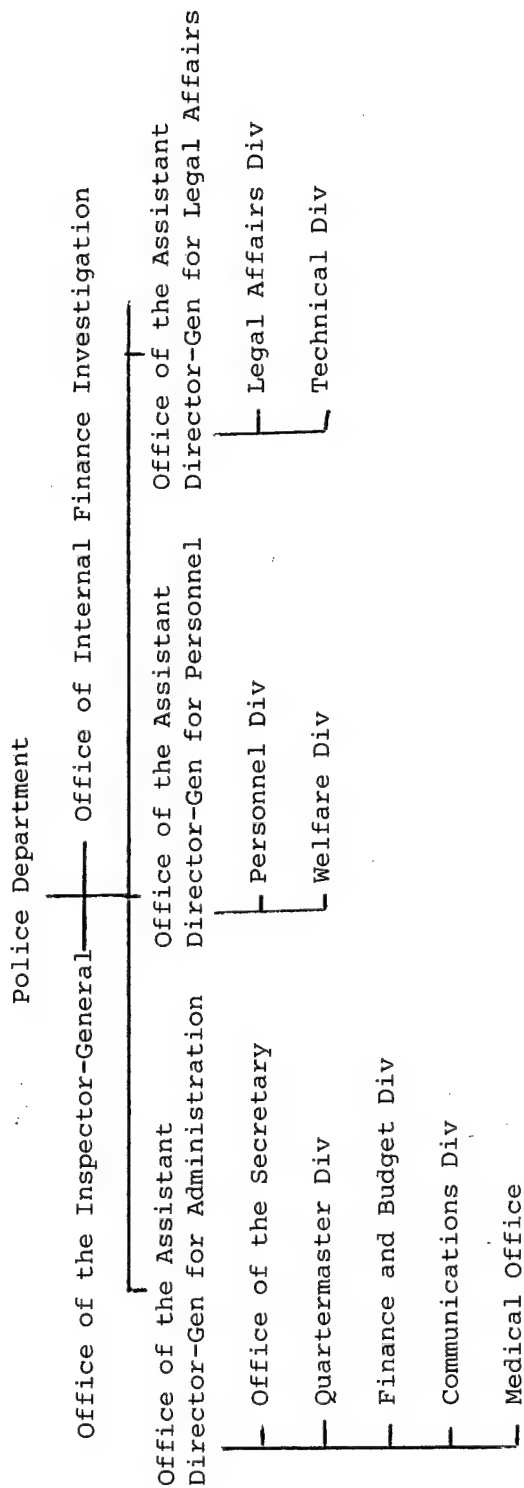
Region 1 BPP 212
4738

Region 2 BPP 251
5517

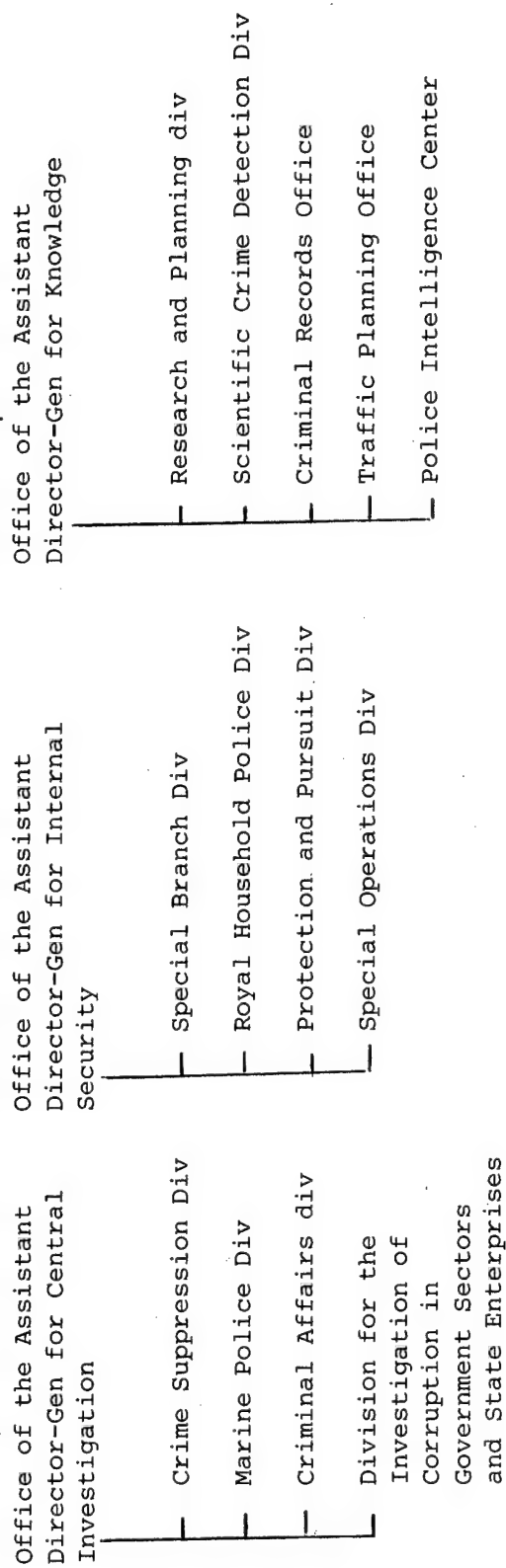
Region 3 BPP 235
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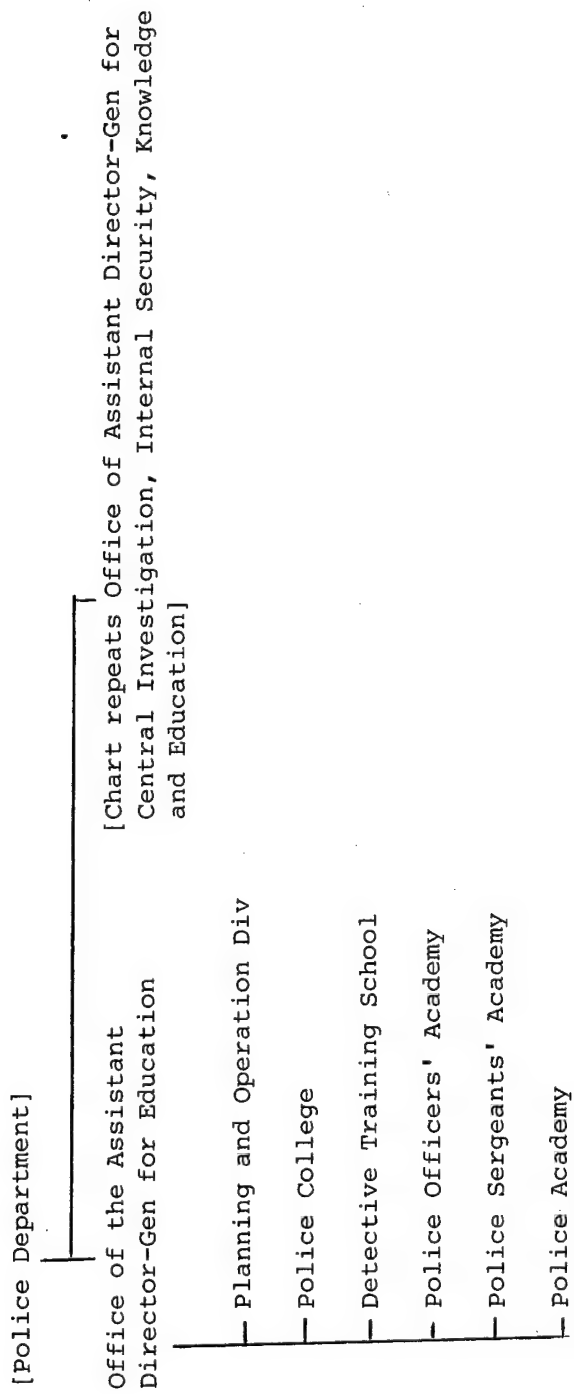
Region 4 BPP 193
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Chart of Police Department Sectors as Proposed by the Special Subcommittee

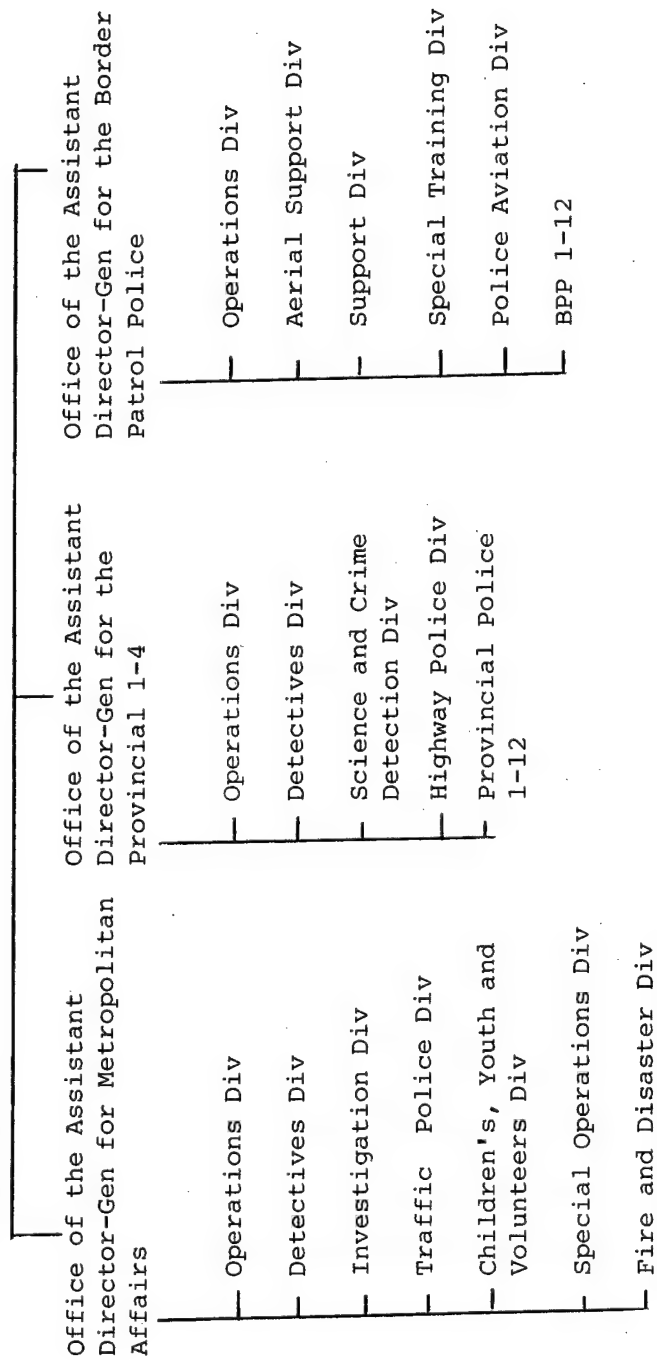


[Police Department]

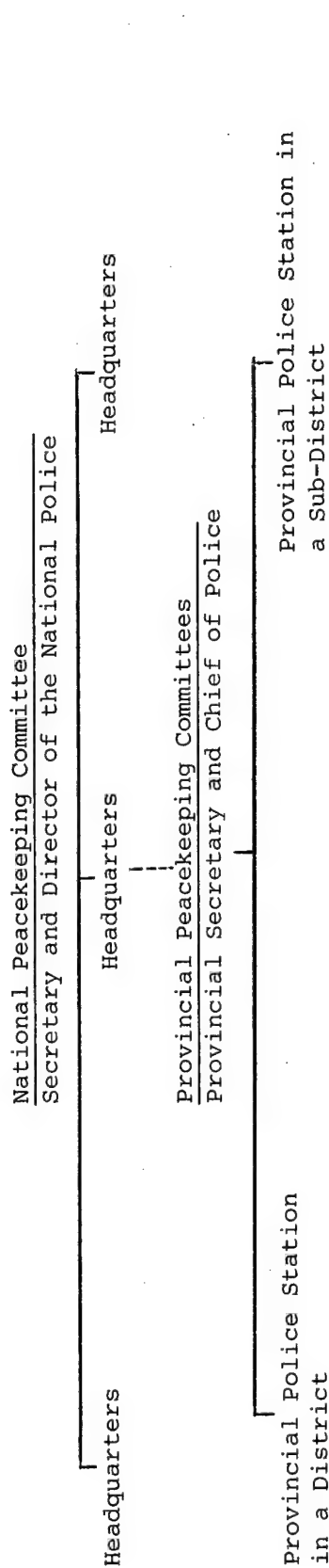




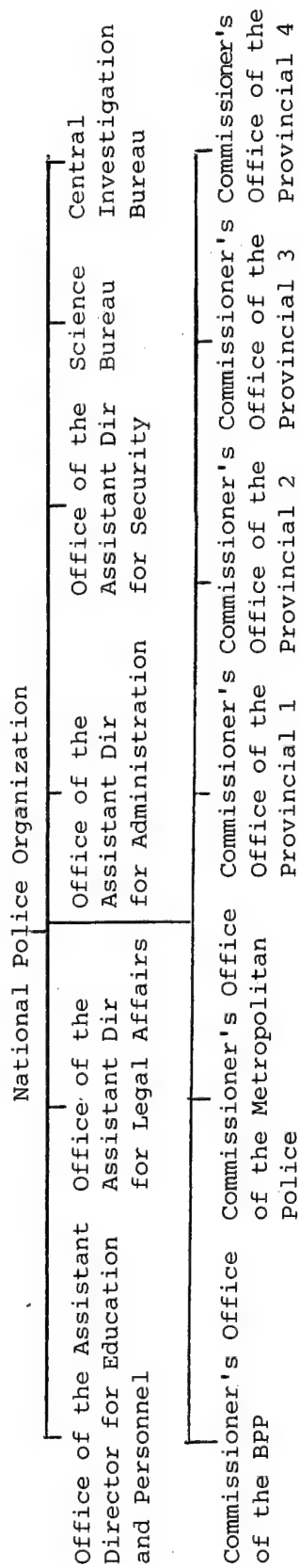
[Police Department]



Organization of the Entire Police System



Central Administrative officials



11943

CSO: 4207/144

BIRTH CONTROL RATES, PREFERENCES IN SOUTH NOTED

Bangkok BANGKOK POST in English 10 Jul 83 p 5

[Article by Krittaya Kunapura]

[Text]

THERE is convincing evidence that Thailand has recently experienced a rapid decline in birth rates. Young Thai couples are having far fewer children than their parents had. Birth rates have declined by about 40 per cent between the period of 1964 to 1981. At present, however, there are fairly significant regional variations with the South having an especially high rate compared to the other three regions.

Figures from the Contraceptive Prevalence Survey, conducted by the Research Centre at the National Institute of Development Administration (NIDA), show that, in 1981, 42 per cent of currently married women aged 15-49 in the South were practicing contraceptive methods while 63, 62 and 53 per cent in the North, the Central Plains and the Northeast respectively practice contraception.

In the South, the highest proportion — 41 per cent — of women also say they want more children. The researchers recommended that efforts should be made to modify family size desires and to try to keep the number of desired children down to no more than two in each family.

A recent study by the Institute for Population and Social Research (IPSR) of Mahidol University provides some insights into the birth rate in the South. Muslims, who accounted for a quarter of the total southern population, still use traditional forms of contraception aimed mainly at spacing out births and not at limiting the size of families. Most Buddhists have no knowledge of traditional methods of contraception and, in contrast, practice modern contraception (the Pill, intra-uterine

device, sterilisation and injection) mainly to limit family size.

The Mahidol study, titled "Focus Group Research on the Determinants of Fertility in Southern Thailand" is the work of Miss Napaporn Havanon and Mr Anthony Pramualratana, research associates of IPSR in consultation with Dr John Knodel, a visiting scholar from the University of Michigan at the Institute of Population Studies (IPS) of Chulalongkorn University.

The study is a part of joint project with IPS. Focus group study involves free flowing group discussions with villagers. The study has as its main objective to identify and analyse the reasons for the observed differentials in reproductive behaviour and attitudes between Muslims and Buddhists in southern Thailand. The study was conducted in two villages, a Muslim village in Chana District, Songkhla Province, and a Buddhist village in Sichon District, Nakhon Si Thammarat. Four focus group sessions were held in each village, one each for older men and women, and younger men and women.

Several important points about the attitudes of Muslim and Buddhist villagers towards birth control have emerged. The Muslim group, for example, discussed in detail the practice of "controlling oneself" (withdrawal), which some saw as also incorporating use of the condom and douching.

One Muslim woman said traditional methods were safer than modern methods, which she thought might bring health hazards. She said: "Some people use condoms, some people take the Pill, some people control themselves. To control yourself is not

dangerous at all: you do not have to get a check-up. If you get an injection then you have to get a check-up."

The Buddhist participants said that in the past there had been no such thing as contraception. They said they had not heard of it, and simply kept on having children. However, they showed no reluctance to use modern contraceptive methods.

Similar differences emerged in questioning about abortion. The first stage of the Contraceptive Prevalence Survey conducted in 1978 reported that 62 per cent of married women thought of abortion as a contraceptive method and that three per cent said they had had pregnancies aborted. In 1981, according to a later stage of the survey the figures were 75 per cent and two per cent.

Method

Muslim groups, it was shown, thought of abortion as a method of spacing births. But the Buddhist groups thought of it as a means of preventing distress to the mother, as in a case where the expectant mother is still at school and the father refuses to accept responsibility. None of the Buddhists mentioned birth-spacing.

The researchers pointed to Muslims still practising traditional methods as an important "potential target" of a family-planning programme in the South.

I asked the three people responsible for the focus-group research, Dr John Knodel, Napaporn Havanon and Anthony Pramualratana, how they could be sure that their work gave a truly representative picture of the attitudes of Muslims and Buddhists in the South.

Dr Knodel said that the intention of focus-group sessions was to show underlying attitudes, opinions and behaviour patterns. Before starting work, he said, the researchers already had an idea of the general attitudes of southern people, both Muslims and Buddhists, towards contraception as indicated in previous surveys. He said that the focus-group research provided more detail than

the sample-survey approach, although the two methods complemented each other because the focus-group work was a way of throwing light on findings from surveys that seem ambiguous or puzzling.

Asked how they felt during the focus-group interviews, Mr Anthony said: "At first, we were worried that the questions which our moderators asked the groups, especially the Muslims, would hurt their feelings and make them want to break off the conversation."

Miss Napaporn said: "The results were completely different from our expectations because they very much enjoyed talking about their families and their attitudes towards contraception. Probably, in our society, this kind of topic is not discussed often enough in public."

Mr Anthony added: "They didn't know how much effort we put into making them feel relaxed while talking and creating more group interaction following our setting of the topics."

Miss Napaporn and Mr Anthony went on to explain how they thought the family-planning programme should be directed toward Muslims.

Mr Anthony said the agencies involved, especially the Government, should provide advice and suggestions that would take into account Muslims' religious sensitivities. Miss Napaporn suggested: "To bring the birth rate among the Muslim population down, the Government and other agencies involved should involve other factors, such as economics, education and living conditions along with the conduct of proper family planning." At the same time, she said, the family-planning officials should also go to the Buddhists although they were already well-versed in the use of modern contraception.

Finally, Dr Knodel said: "Efforts should be made to link both traditional and more modern methods of family planning because the former may help to legitimise the latter. Also, the emphasis of any family-planning campaign should be on 'spacing' rather than 'limiting' in accordance to the current Muslim preferences."

ROYAL THAI NAVY ACQUIRING NEW SHIPS

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Apr 83 p 4

[Text]

The RTN has plans to spend about 1,500 million baht (Approx. 23 baht=US\$1) during the fiscal year 1983 to purchase a corvette-type vessel either from the US or Italy. The warship will be equipped with eight long-range anti-ship Harpoon missiles and have a displacement of 900 tons. The US government has agreed to supply the missiles, anti-submarine torpedoes, and anti-low flying rockets or aircraft Phalanx guns.

The funds for this new ship and its arms equipment has been approved by the Thai government in its effort to strengthen the country's defence capability, the Royal Thai Navy Chief, Admiral Somboon Chuapibul said recently.

Admiral Somboon added that the Harpoon is a costly but devastating anti-ship missile with a highly sophisticated guidance system. It carries a 500-pound high explosive warhead.

Meanwhile, in Venice, Italy, a crew of 45 Thai sailors from the RTN took delivery of a modern Italian-made gunboat, equipped with four chaff missile launchers. The gunboat, named *HTMS Chon-*

huri, has a displacement of 498 tons and is 60 metres in length, nine metres in width. It has a computer-guided navigational system and carries two cannons and a heavy machine gun.

Locally, the RTN is constructing two new warships to be equipped with the Harpoon as well as Sea Sparrow missiles. Regarding the Sea Sparrow, Admiral Somboon revealed that it is a powerful and manoeuvrable medium-range missile that has also been used effectively as an air-to-surface missile. But it has also been adapted for use as a ship-launched surface-to-air missile.

Admiral Somboon also added that the RTN's Naval Operations Department is studying the possibility of acquiring submarines to boost the defence capability of the RTN. The type and size of submarines most suitable to the RTN are under study. He said by 1985 the RTN should be able to acquire two submarines. Currently, the RTN has no submarine in its fleet.

CSO: 4200/747

THAILAND

MILITARY BUDGET GROWTH, STRONGER ATHIT ROLE ANALYZED

Bangkok SU ANAKHOT in Thai 10-16 Jul 83 pp 8-12

[Article: "The New Army Combat Units--Does This Pave the Way For Athit to Become Prime Minister?"]

[Text] "At present, I think that soldiers understand democracy better than before. There are more professional soldiers. This is very satisfying. But what is distressing and what I want to talk about concerns the prime minister. At present, there are rumors--whether true or not I don't know--that the prime minister is establishing a large cavalry unit in order to form a power base so that he can remain prime minister. And the rumors say that other generals are establishing large military forces in order to fight each other. Such rumors are very distressing because I would like to see the army become strong so that it can fight the enemy and not so that [various factions] can fight each other. If this is not true, please correct these rumors, Mr Prime Minister. Do not let these rumors spread. This is not a pretty image for an army with professional soldiers who really love democracy."

The above was a statement made by Mrs Yupha Udomsak, an MP from Phichit Province who is a member of the Thai Nation Party, during the debate on drafting the 1984 Budget Act on Thursday, 30 June. This indicates that build up of military forces at the various bases is proceeding vigorously. Concerning the political problem, it has still not been possible to get the military [out of politics]. General Prem Tinsulanon, the prime minister, did not respond to this statement by the MP from Phichit.

Concerning the debate in parliament that day, most of the opposition parties attacked the budget allotted for the military, particularly the huge secret fund that is allotted to the military every year. This has raised doubts in the minds of the people, who wonder whether this money is used by the military for defense purposes or to pave the way to power for various groups. Because one lesson that is very clear is that whenever there is a coup d'etat, the "secret fund" is an important source of money that the promoters use to carry out the coup. This is not a matter

of just 10 or 20 million baht but rather hundreds of millions of baht. This does not include losses on other fronts that result from the coup.

"I do not feel that the army's secret fund is of any benefit. They claim that it is used for carrying on secret intelligence activities, for conducting counter-intelligence work and for maintaining security. But this money would be better spent on other activities. For example, commercial envoys could use it in negotiations for the economic benefit of the country," added Mr Pongphon Adireksan, an MP from Saraburi and a member of the Thai Nation Party, concerning this budget matter.

Athit and the Army

Ever since the events of 1-3 April 1981, great changes have been made in the military, particularly in the army, after General Athit Kamlangek became RTA CINC. This is because these changes have not amounted simply to transferring those groups in the army that oppose General Athit. These changes have also included making basic structural changes in various units. Also, units have been dissolved and added. For example, the 9th Division, which was stationed in Kanchannaburi Province, has been moved to Prachinburi Province nearer the power center of the RTA CINC. The 1st and 2nd special combat regiments have been formed and it seems that they will form a unit that is as big as or even bigger than an army area. And the latest unit to be formed is the Artillery Division, which is stationed near the power center in the central region, too.

The New Structure

Actually, the formation of units in order to have them serve as a base of military and political power for the power groups is something that has been done in every period. When General Prem first became RTA CINC, he made great changes in the balance of power in the army. This can be seen clearly in the matter of the Young Turks, or officers of Class 7, Chulachomklao Royal Military Academy, who as a group controlled almost all the forces at the battalion level and who became the most powerful group [in the army]. Prem also formed the 2nd Cavalry Division. There were criticisms that "this is General Prem's second home."

And after all these things happened, this power base enabled General Prem to become the country's 16th prime minister as had been expected. Comparing these things with the statements made by the MPs in parliament during this debate on the Budget Act, it is quite clear why the powers in the army are busy building up their power, particularly General Athit Kamlangek, the present RTA CINC whom many people believe to be an important political heir in line for the position of prime minister after General Prem.

Concerning the budget that was recently presented to parliament for discussion, it can be seen that the army's share has increased tens of millions of baht while the budgets of other sectors have risen at

a constant rate. This is the point that most MPs have attacked, saying that this new budget will be used to create personal bases of power for the military leaders, which certainly refers to General Athit. At the same time, the recent structural changes in army units indicate the same thing. And the creation of additional forces may not stop here.

Power Bases

As for the present form of the chain of command in the army, a rough picture is that from the battalion level, which is the operations base of those who actually control forces, the chain moves up to the regimental and divisional levels and then to the level of the army area. These are subordinate to units at various echelons until the level of the RTA CINC is reached. But there is another force that is not a part of this chain of command. Rather, it is directly subordinate to the RTA CINC. This is the force that many people are really talking about since there is more to this than meets the eye. From the indications, this force that is directly subordinate to the RTA CINC is increasing [in size].

During the first 6 months of this year, there have been changes in the new units in the army that are directly subordinate to the RTA CINC. An example is the Artillery Division. The present deputy commander is Special Colonel Wirot Saengsanit. He will soon be promoted and made the commander of this division. Special Colonel Wirot is a member of Class 5, Chulachomklao Royal Military Academy, which has been an important base of support for General Athit.

This artillery division is very important as a power base for the RTA CINC since this is composed of the seven howitzer battalions (howitzer shells move in a curved trajectory and are highly accurate), that is, the 101st, 102nd, 103rd, 104th, 105th, 109th and 201st battalions. These have been divided into two regiments.

"Actually it was quite fitting that an artillery division be established. It's like parents whose children are studying in various places, which makes it difficult to supervise them and which is very expensive. Joining all the battalions to form a division composed of two regiments solves these problems," said a field-grade officer who is on the staff of General Athit to SU ANAKHOT. He denied that the changes had been made in order to [form] a direct power base for General Athit. All seven battalions have always been directly subordinate to the RTA CINC; they were not subordinate to any of the seven artillery regiments (all seven of these other regiments are subordinate to the 1st Infantry Division, the seven regiments being the 1st, 2nd, 3rd, 4th, 5th, 9th and 21st artillery regiments).

"It can be seen that the combat forces have not been expanded. The only thing is that regiments have been formed to control the battalions. Although the Artillery Division is capable of controlling four regiments,

the present division is composed of only three regiments," said the same officer.

The Special Combat Divisions

In addition to the Artillery Division, which is a unit that is very close to General Athit, two more special combat divisions have been formed. These are the 1st Special Combat Division, which is commanded by Major General Wimon Wongwanit, and the 2nd Special Combat Division, of which Major General Khachon Ramon is the deputy commander. And he will soon be promoted to commander. Both of these men are members of Class 5, Chulachomklao Royal Military Academy.

Both of these special combat divisions were formed by joining the four special combat regiments at the Special Warfare Center. Each division is composed of two combat regiments so that there would clearly be a combat unit and a training unit.

"Originally, there were four special regiments that were subordinate to the Special Warfare Center. When these divisions were formed, nothing was lost. We used two of the regiments to form a division so that the Special Warfare Center would be responsible for training only," said a member of Class 5, Chulachomklao Royal Military Academy, in response to the criticisms that his group is greatly expanding its power at the command level. "Present efforts to increase the effectiveness of the military units are not placing any emphasis on manpower. These things are being done just to improve the foundation and adjust the budget of the army. The army is trying to save as much money as it can. Initially, only a headquarters will be formed. The 1st Special Combat Division will be stationed at Lopburi while the 2nd Special Combat Division will probably be stationed in Maha Sarakham or Chachoengsao.

The AAA Division

This division has been an important power base for staging a coup d'etat in every period. The same is true at present; the AAA Division is still important. It is composed of two regiments. Even though no adjustments have been made in the division, there have been personnel changes, with almost all of those who showed opposition to General Athit having been removed. But what is now very interesting about the AAA Division is that many new weapons are being mobilized for this division.

The 6th Cavalry Regiment

This is the newest regiment, being formed at the end of June. Its main unit is the 6th Cavalry Battalion. This battalion is a highly efficient unit and is capable of being expanded greatly. Originally, the 6th Cavalry Battalion was subordinate to the 3rd Cavalry Regiment of the 1st Cavalry Division, which was directly subordinate to the RTA CINC, as was the 2nd Cavalry Division. But the newly established 6th Cavalry Regiment

was placed under the command of the Second Army Area following the changes made with the two cavalry divisions in order to disperse power to the army areas. The 1st Cavalry Division was transferred to Phetchabun and made subordinate to the Third Army Area while the 2nd Cavalry Division was made subordinate to the First Army Area.

"Concerning making the cavalry divisions subordinate to the army areas, actually, this is the same project. The 1st Cavalry Division is stationed at Uttharadit and Phetchabun. Thus, this area is subordinate to the Third Army Area. But the reason that it was made subordinate to the RTA CINC at that time (General Prem) was that there were sufficient forces and the 2nd Division had not yet been formed," said an officer in the 2nd Cavalry Division concerning the new changes. He said that transferring command of the 1st Cavalry Division to the Third Army Area has filled out the forces of the Third Army Area since it now has three divisions.

Athit Is Still Strong

Based on the structure outlined above, all of the structural changes have actually served to increase the power of General Athit. This is true even though some of the changes have tended to decrease his power. For example, the 1st and 2nd cavalry divisions, which used to be directly subordinate to the RTA CINC, have been made subordinate to the army areas instead. But looking at things closely, if General Athit made full use of his power, wherever the units are dispersed to will become a power base of General Athit.

Because of this, concerning the future of General Athit, the talk of his being the heir to General Prem as prime minister has a high probability of being correct. But this also depends on the political forms used by General Athit, that is, will he pave the way militarily? Because at present, the parliamentary fights [indicate] that he has not received the support that General Prem has. At the same time, his fellow classmates in Class 5, Army Preparatory School, will certainly be thorns that will prick General Athit.

Thus, the military and political paths that General Athit takes is certainly a matter worth following since these paths are strewn with both roses and thorns.

| Figures on Secret Government Funds | 1982 | 1983 | 1984 |
|--|-------------|-------------|-------------|
| Office of the Undersecretary for Defense | 8,000,000 | 8,000,000 | 8,000,000 |
| Supreme Command Headquarters | 75,200,000 | 75,200,000 | 75,000,000 |
| Royal Thai Army | 556,480,000 | 614,868,000 | 614,868,000 |
| Royal Thai Navy | 85,813,000 | 111,126,000 | 111,000,000 |
| Royal Thai Air Force | 8,000,000 | 8,000,000 | 8,000,000 |

A Comparison of the 1983 and 1984 Budgets In the Ministry of Defense

1983

| | |
|---|---------------------|
| 1. Office of the Undersecretary for Defense | 659,604,900 baht |
| 2. Supreme Command Headquarters | 2,092,115,000 baht |
| 3. Royal Thai Army | 16,368,047,500 baht |
| 4. Royal Thai Navy | 6,925,950,000 baht |
| 5. Royal Thai Air Force | 7,009,905,000 baht |
| Total | 33,055,622,400 baht |

1884

| | |
|---|---------------------|
| 1. Office of the Undersecretary for Defense | 671,859,900 baht |
| 2. Supreme Command Headquarters | 2,294,752,000 baht |
| 3. Royal Thai Army | 17,553,036,500 baht |
| 4. Royal Thai Navy | 7,432,696,600 baht |
| 5. Royal Thai Air Force | 7,974,323,000 baht |
| Total | 37,988,500,000 baht |

1984 Budget of the Royal Thai Army

Budget 17,553,036,500 baht.

| | |
|----------------------------|---------------------|
| A. General Admininstration | 771,028,000 baht |
| B. National defense | 16,761,302,500 baht |
| 1. Personnel | 11,060,406,500 baht |
| 2. Secret Activities | 614,868,000 baht |
| 3. Army development | 5,086,028,000 baht |
| C. Public Health Services | 20,706,000 baht |
| 1. Army Hospital | 20,706,000 baht |

11943

CSO: 4207/144

JOINT ASEAN ARMS PURCHASES

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Apr 83 p 4

[Text]

On returning from a three-nation visit to Malaysia, the Philippines, and Singapore, the Commander-in-Chief of the Royal Thai Navy (RTN), Admiral Somboon Chuapibul, told reporters that Thailand would join ASEAN military leaders in discussions for the possible purchase of foreign arms on a joint basis in efforts to cut down cost and to enable the member countries to pool their military resources.

Admiral Somboon said this idea was raised during his talks with Malaysian military leaders. The crux of the proposal he said, was that since ASEAN members have similar systems of weaponry they should purchase arms on a collective basis.

He added that by jointly buying arms, the cost would be lower and the member countries would also be able to supply each other with spare-parts when necessary. However, he pointed out, further details are yet to be discussed. He also disclosed to reporters that Thailand, Malaysia, and Singapore will hold a joint naval exercise this year.

CSO: 4200/747

PROPOSAL FOR 'WAR RESERVE POOL'

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Apr 83 p 4

[Text]

During his four-day visit to Thailand earlier this year the Chairman of the US Joint Chiefs of Staff, Gen John Vessey, discussed plans to establish a "War Reserve Contingency Pool" in Southeast Asia with Thai Supreme Commander, Gen Saiyud Kerdphol. The plan was proposed by the Thai Chief in an effort to store weapons in this region. Under this plan, a regional reserve of war weapons will be set up from which Thailand and other regional countries can draw war logistic items in an emergency situation.

Gen Saiyud said the location of the weapons storage centre would be discussed among Southeast Asian nations once the idea was accepted. Gen Saiyud said, in principle the 'member' nations would buy into the proposed war reserve the military items they planned to purchase from the US under the Foreign Military Sales (FMS) programme while the US would bear the maintenance costs. He added that the establishment of such a war emergency reserve would

enable member countries to acquire military items from the pool in case of a sudden threat without having to gradually purchase and store them which might come too late to counter an aggression.

At a press conference, Gen Vessey responded to this proposal saying that he welcomed the idea but pointed out that the plan faces legal difficulties in the US. "It is a difficult concept from our point of view," said he. The US law distinguishes between weapons and aid to allies and supplies to US forces. However, he noted that legal aspects of the plan were being studied in Washington.

Gen Vessey also reaffirmed the US intention to preserve peace in the region and to uphold Thailand's security, but added that the US would not reopen any military bases in Thailand. He said he was pleased with the overall readiness and the progress of the Thai armed forces and promised to increase the efficiency of the Thai forces through joint military training.

CSO: 4200/747

SPECIAL WARFARE DIVISION CHIEF PROFILED

Bangkok THE NATION REVIEW in English 9 Jul 83 p 13

[Text]

AS the Army is giving serious consideration to a plan to upgrade its only special warfare division as a commanding post which carries similar status as an army region, First Special Warfare Division Commander Maj Gen Vimol Wongvanich appears to have a more promising future.

This, coupled with his views against the deprivation of senatorial powers, will inevitably put him in the limelight.

Because of his recognized competence and rich experiences in the military field, his appointment to the head of the newly-formed First Special Warfare Division last October came as no surprise. The appointment to the crucial post, in turn, boosted his prominence in the rank and file of the Army.

The prominence was attributed not only to the special warfare division which had been renowned for the extraordinarily high combat com-

petence commanded by its soldiers since it was a special force under the Lopburi-based Special Warfare Centre, but also to the fact that he was one of the first three military officers of the Class 5 (Chulachomklao Military Academy) who were rewarded with the ranks of major general in the last annual military reshuffle.

Talking about the formation of the First Special Warfare Division, Maj Gen Vimol told *The Nation* the other day that the special force was separated from the Special Warfare Centre in Lopburi and boosted as a division because the centre itself could not take care of the outgrowing force.

The special force was separated so that the centre could concentrate on academic affairs and research work to develop the special warfare knowledge in this country, according to the commander.

The experiences the United States received from its in-

volvement in Vietnam and the Vietnamese troops are receiving in their desperate campaigns to defeat the guerrilla warfare waged by Khmer resistance forces underlined the necessity for Thailand to develop a strong special warfare force, he said.

"From this point of view, the Army has decided to upgrade the special warfare force as a division to facilitate the training of soldiers in special warfare. We put emphasis on personal capability, endurance, courage and sacrifice. These forces are expected to be capable of operating in every terrain and under every circumstance," he said.

Maj Gen Vimol has been recognized as the cream of graduates from Class 5 of the Chulachomklao Military Academy. The other two members in the class who were given the rank of a major general last October are Maj Gen Suchinda Kraprayoon, director of the Army's Operation Directorate,

and Maj Gen Issara-pong Noonpakdi, commander of the Sixth Division.

Maj Gen Vimol has served at the Special Warfare Centre for about one-thirds of his military services and thus his latest appointment was taken as "my return home." He obviously welcomed the appointment with enthusiasm. "I am ready to build my forces as highly qualified units that are prepared to cope with any future challenge," he added.

For Maj Gen Vimol, such a poor country as Thailand has to develop strong special warfares to cope with any consequence. "We could not acquire sophisticated weapons as in the West and we could not afford to purchase a good deal of tanks as oil-rich Middle East countries," he added.

49-YEAR-OLD

The 49-year-old military officer used to serve in the Northeast as commander of the Sixth Infantry Regiment of the Sixth Division, a post given to him in 1977 after he had just returned from Britain where he completed a military course for chiefs of staff, and as deputy commander of the Sixth Division three years later.

Before his transfer

to the Northeast, the young military officer was commander of a special battalion and an operation officer attached to the parachutist forces. The latter position proved his individual competence because only capable hands have been given such a position.

While he was deputy commander of the Sixth Division, the April 1-3 abortive coup took place. During the crisis, Maj Gen Vimol was among six colonels assigned to command forces to march from Nakhon Ratchasima into Bangkok to recapture the capital from the rebels.

His roles in the crisis has admittedly helped shoot him up in the military hierarchy.

His First Special Warfare Division now commands four regiments and by the end of this year the second division is expected to be set up on one of the four regiments.

SETTING UP

The Army also has a plan to boost the special warfare forces by setting up a "Special Warfare Headquarters" which will be headed by a lieutenant general directly under the Army. The commander of

the Special Warfare Headquarters would control both the special warfare forces and the Special Warfare Centre.

As a newly-appointed senator, Maj Gen Vimol has his profile spotlighted when he along with some other army officers called it quits from the Senate following the resignation of Army Commander-in-Chief Gen Arthit Kamlang-ek as senator in what observers believed to be a move to reinforce the campaigns for constitutional amendments to retain senatorial powers, among other things.

"I resigned then because I agree with the army commander-in-chief," he said.

He said he regarded himself as a representative of the poor people, civilians or soldiers, through his appointment to the Senate and therefore senators should be given some authorities to protect matters involving national interests.

"Otherwise, Parliament will be only a forum to protect the interests of a privileged and influential group. It is no secret that MPs have been elected because of financial influence and it is natural that they would seek returns for their financial investments," he said.

KHMER RESISTANCE SELLING WEAPONS TO GUNRUNNERS

Bangkok BANGKOK POST in English 6 Jul 83 p 2

[Text] **PRACHIN BURI — Police and local officials yesterday retrieved four SKS rifles and 14 mortar shells from a canal about one kilometre from the Ta Phraya district office.**

An informed police source said that officials searched the klong after receiving a tipoff that armaments had been dumped there by a gang of arms dealers because of the recent crackdown on illegal war weapons.

The source said the weapons were bought from Kampuchean resistance fighters with financing from local gunrunners and were destined for Karen rebels near the Burmese border.

CONDITION

The source added that the retrieved SKS rifles and 60mm mortar shells, contained in air-tight plastic tubes, were in good condition.

More than 10 empty ammunition boxes were also found, said the source, adding that authorities believed more armaments were still buried in the klong bed. Early last month, two policemen and two civilians were arrested, allegedly with a large cache of illegal war weapons that were bound for Karen rebels near Tak Province.

CSO: 4200/9755

NUMBERS OF ARMY DESERTERS REPORTED

Bangkok BANGKOK POST in English 19 Jul 83 p 2

[Text]

MILITARY authorities will not extend the deadline for army deserters which expires today and those who fail to report back to their units by 4.30 p.m. will be liable to a jail term of up to 15 years.

Army Chief Gen Arthit Kamlang-ek said 42,860 deserters have reported back since July 15, with about 20,000 more still evading authorities.

He said that military authorities would not extend the deadline because the fugitives have already been given 90 days to return to their units.

Gen Arthit said he expected several thousands more to return to their

units today.

Military authorities might not be able to handle a large number of returnees within the deadline but those who returned before the 4.30 p.m. deadline would be immune from punishment, he added.

Army Secretary Col Naruedol Dejpradiyuth said that draftees who failed to meet the deadline would be liable to jail terms of between one to five years if their units are in areas not under martial law.

The jail term would be up to 15 years if the units are situated in areas under martial law.

CSO: 4200/9755

VIETNAM REPORTEDLY TO USE MIG'S AGAINST KHMER RESISTANCE FORCES

Kuala Lumpur ASIAN DEFENCE JOURNAL in English Apr 83 p 4

[Text]

MiG jet fighters may enter battle against the Kampuchean resistance forces, according to the Thai air force commander-in-chief, Air Chief Marshal, Dacklaew Susilvorn.

The Thai authorities have reported spotting more MiG-21 sophisticated fighter planes operated by the Vietnamese air force, on training near the Thai-Kampuchean border, the Thai air force chief said recently. However he did not think Hanoi would risk operating the MiGs too close to the Thai border as international repercussions would be adverse, if any of the planes stray into Thai air space.

But it was possible the jets may be used to attack Khmer resistance groups deeper inside Kampuchea.

The air force chief said in one incident last year Thai Air Force planes scrambled to intercept an MiG aircraft as it was heading to cross the border. But the Vietnamese jet fighter changed course and headed back over Kampuchea on sighting Thai jets. The Thai Air Force operates jet fighters from two major bases in Bangkok and Korat. The time taken for a jet from the Bangkok base to intercept enemy planes at the eastern border is about nine minutes and less time than

that is taken for one operating from Korat.

Airstrip

Air defence of the Thai air force is provided by two squadrons of F-5E jets from the two bases to cover the eastern borders.

Signs indicating greater use of air power by the Vietnamese against the Khmer resistance factions is the improvement and facilities provided at a neglected airstrip at Thbeng in Preah Vihear province. The runway has been upgraded and fuel storage tanks and troop barracks have been built.

According to the National Security Council Secretary, Prasong Soonsiri a Soviet-made Antnov-26 aircraft landed at Thbeng in late December. The airstrip is also being used by Soviet assault helicopters the MI-8 which has a capacity for 24 men and is sometimes equipped with rockets.

Thai military officials estimate that Vietnam has some 950 aircraft, of which the most advanced are the MiG-21s which number about 220. Other aircraft of the Vietnamese Air Force are the MiG-17 and MiG-19 and a large number of US-made planes abandoned by the US forces at the end of the Vietnam War.

CSO: 4200/747

BRIEFS

TARGET TRACKING, WEAPONS SYSTEM IN SERVICE--The armed forces have acquired the Flycatcher target tracking and weapons system, which was demonstrated to Thai military officials on delivery recently. The proper functioning of each system was demonstrated and the trials attracted much interest from the military personnel. Testing consisted of two parts and the first phase involved analysis of software recording after the towing aircraft had landed. Flight tests and target tracking by TV camera mounted on the gun barrel demonstrated the tracking behaviour of the total system. Recordings made during these flights were analysed later. The second phase of the demonstration included firing tests, using a drone, five metres long by 50 cm wide. The firing distance was two kilometres. [Kuala Lumpur ASIAN DEFENCE JOURNAL in English May 83 p 4]

TRADE DEFICIT REPORTED--THAILAND's trade deficit is expected to widen to 51 billion baht (\$5.1 billion) this year from 38.7 billion (\$3.87 billion) last year, the director general of the Business Economics Department, Prayoon Thalerngsri said. Mr Prayoon told reporters exports are expected to rise to 167 billion baht (\$16.7 billion) this year from 158.5 billion (\$15.85 billion) last year and imports are expected to 218 billion baht (\$21.8 billion) from 197.2 billion (\$19.72 billion). The Thai government recently set an export target of 170 billion baht (\$17 billion) for this year, down from 180 billion baht (\$18 billion) targetted earlier following falling exports in the first six months. [Kuala Lumpur BUSINESS TIMES in English 20 Jul 83 p 1]

CSO: 4200/747

PARTY ACTIVITIES AND GOVERNMENT

EDITORIAL CITES TASKS AFTER CPV PLENUM

Hanoi NHAN DAN in Vietnamese 27 Jun 83 p 4

[Editorial: "Intensify Ideological and Organizational Work To Contribute to Changing the Socioeconomic Situations"; an incomplete version of this editorial appeared in the Asia of Pacific DAILY REPORT 29 Jun 83 pp K 6-8]

[Text] Since the fifth party congress, our people have overcome untold difficulties and hardships, made important progress, and scored great success in building and defending the socialist fatherland. Our country's agricultural and industrial production has continued to develop. In particular, by 1982 we had basically resolved by ourselves the need for grain on a national scale. The 1982-83 winter-spring crop was again a bumper crop. Our people, upholding the spirit of self-reliance and selfless labor, are fully capable of resolving the grain problem and developing comprehensive agriculture in order to stabilize and improve their life and to build a basis for developing industry. In the economic, cultural, and social fields, our country has witnessed positive changes and new progress in its steady advance. We have firmly defended the fatherland and maintained political security in spite of the extremely perfidious and hostile schemes and acts of the Chinese expansionists in collusion with the U.S. imperialists and other reactionary forces. We have accomplished and are accomplishing our great international duty towards fraternal Laos and Kampuchea. Today the position and strength of our country and of the three Indochinese countries is firmer than ever before.

Our nation's enemies are seeking by every means to undermine our revolutionary undertaking, alienate the party from the people, and weaken the fine image of Vietnam in the hearts of the world peoples. They will be totally defeated in their current dirty psychological war. Our successes take on even greater meaning and value considering the grave difficulties our people have undergone, namely, the serious consequences of war, an economy chiefly characterized by small-scale production, the frenzied multifaceted sabotage and the scheme of aggression of the Chinese reactionaries acting hand in glove with the U.S. imperialists, the complicated impact of the world economic crisis, and the recurrence of natural calamities.

Our people have achieved the great successes mentioned above first of all due to the lines set forth by our party at its fourth and fifth congresses. The third plenum of the fifth party Central Committee and the resolutions of the party Central Committee and the Political Bureau are totally correct. Such successes have been possible thanks to the great progress achieved by the party in ideological and organizational work, to

the wholehearted dedication of our party cadres and members in their selfless struggle for the revolutionary cause of the party and the nation, and to the highly revolutionary spirit and ardent love for the country and socialism of our laboring people and armed forces who have developed the spirit of self-reliance and their right to socialist collective mastery and joined the party and state in valiantly overcoming all difficulties and privations with unwavering confidence to constantly push the revolution forward. We also enjoy the great and valuable assistance of the Soviet Union and other fraternal socialist countries.

However, in the socioeconomic situation as well as in our current ideology and organization there still exist difficulties and weaknesses that hinder the implementation of party resolutions. The fourth plenum of the party Central Committee has decided on a number of pressing ideological and organizational problems with the aim of successfully carrying out the immediate socioeconomic tasks set forth in the resolution of the fifth party congress and the resolution of the third plenum of the party Central Committee. Only with correct ideological awareness and viewpoints and with good organizational measures will we be able to ensure proper implementation of the lines and viewpoints of the party and the policies and law of the state, create a new turn to the better in the socioeconomic situation, strengthen national defense and security, and enhance the party's fighting strength.

The struggle between the two paths -- socialist and capitalist -- is proceeding in a very bitter, complex, and fierce manner along with the struggle between our people and the Chinese expansionists, who are acting hand in glove with the U.S. imperialists. Despite their ignominious failure, the Chinese reactionaries are still frenziedly preparing for new adventures against our people. The Chinese expansionists' fundamental and long-term scheme is to subdue and annex Vietnam and the rest of Indochina to pave the way for their expansion into Southeast Asia.

The Chinese reactionaries' strategy and tactics vis-a-vis our country and the rest of Indochina have not changed in the least. They have only become more hostile toward our people. In collusion with the U.S. imperialists, the Chinese expansionists are carrying out a multifaceted war of sabotage against our country in an attempt to weaken and eventually annex it.

It is the sacred duty and inflexible determination of our entire party, armed forces, and people to always remain vigilant against their crafty and perfidious maneuvers and insidious schemes so as to resolutely frustrate their multifaceted war of sabotage while standing ready to defeat them under any circumstance and in war of any type and scale.

To achieve our immediate socioeconomic targets, we must uphold our revolutionary heroism and spirit of self-reliance; develop the working people's right to socialist collective mastery; simultaneously carry out the three revolutions; and combine transformation with construction. This is aimed, first of all, at enabling us to successfully use our most valuable assets -- manpower, arable land, and determination -- and more satisfactorily use our existing material and technical bases.

A period of laxity in socialist transformation of capitalist and privately owned industry and trade, small industry, handicrafts, and petty trade; the delay in work related to land reallocation and agricultural cooperativization in the south; and the laxity in consolidating and improving new production relations among agricultural cooperatives in the north and within the state-run economic sector have caused great difficulties in our socioeconomic life.

Distribution and circulation are now one of the most pressing problems. On this front, erroneous conceptions and viewpoints and shortcomings have reflected seriously on the organizational work, causing great difficulties to production and life and spoiling many cadres, party members, and state personnel. It is also on this front that the enemies of our people are intensively and frenziedly carrying out their sabotage activities and the old and new bourgeois are seeking every available means to counter-attack socialism.

This situation has come about not because our enemies are strong or the bourgeoisie are still holding sway, but because we fail to thoroughly understand and scrupulously implement all the resolutions of the party. This is also due to such manifestations as right leaning, laxity in numerous aspects of the proletarian dictatorship system; lack of vigilance against enemy sabotage activities; laxity in the struggle between the two paths and in implementing the party discipline, economic management discipline, and state laws; failure to adhere to and correctly implement the principle of democratic centralism; running after the market mechanism, personal profits, and departmental and individual interests; and failure to abide by the party discipline, socialist legal system, state laws, and principle of democratic centralism in performing party work and state management, especially social management, and to resolutely, promptly and justly punish those degraded and degenerate cadres and personnel found guilty of stealing public property, practicing corruption, and helping speculators and smugglers. Therefore, it is imperative for our entire party to concentrate efforts on overcoming all the conceptions, viewpoints, and problems concerning the organization of cadres which run counter to the party lines and policies.

This is aimed at ensuring the successful implementation of the resolutions of the fifth party congress and the third plenum of the party Central Committee so as to create a truly vigorous and comprehensive change in the country's economic and social life.

Our immediate task is to restore by all means socialist order in the distribution and circulation of goods and to stabilize the life of workers, state employees, and the armed forces. The state must control production and the distribution and circulation of goods, control the market and prices, firmly control goods and money, and carry out the policy of distribution according to the amount of work done. We must firmly grasp proletarian dictatorship in the struggle between us and the enemy, in the class struggle, and in the struggle between the two roads in the fields of production, socialist transformation, and distribution and circulation of goods. All branches and localities should correctly observe the principle of democratic centralism in economic and social management, oppose bureaucratic centralism, the lack of internal democracy, and negation of the working people's right to collective mastery. At the same time, we must oppose all manifestations of a free-wheeling manner, in addition to fragmentation and nonimplementation of resolutions and directives of the party and policies and the law of the state.

At all echelons, branches, and localities, party cadres and members and state employees -- including high- and mid-level cadres at the central level and in the various provinces, municipalities, and major state-run economic units -- must strictly conduct self-criticism and criticism with regard to ideological stand and viewpoints.

At all levels and in all sectors and localities, cadres, party members and state civil servants, including the high- and middle-level cadres at the central level and in provinces, municipalities and important state-operated economic units, must seriously conduct self-criticism and criticism about the ideological stand and views and the revolutionary qualities and morality, and at the same time have realistic plans and measures to correct any shortcomings. To commend and reward the individuals who have scored brilliant achievements and to resolutely, promptly and justly punish the degenerate and degraded elements who have taken advantage of their positions and authority to steal, to receive bribes, to smuggle, to exploit others and to collude with the bourgeois and dishonest business people in order to get rich illegally and to oppress the masses is a necessary thing to do to help consolidate the confidence of the people in the party and state and to heighten the fighting power of the party and the effectiveness of management by the state.

It is necessary to commend and reward individuals with outstanding achievements and to punish in a resolute, prompt, and just manner degenerate and degraded elements who abuse their positions and authority to steal, solicit bribes, carry out smuggling and exploitative activities, and collude with the bourgeoisie and dishonest traders in illegally amassing riches and oppressing the masses. This will contribute to strengthening the people's confidence in the party and state, and enhancing the fighting strength of the party and the managerial efficiency of the state.

Nor can we neglect the improvement of the economic management system and concrete economic policies. We must organize an effective mechanism, intensify control and inspection work, and improve guidance over the implementation of policies at all levels and in all branches. The most important thing is to launch a seething revolutionary emulation movement among the masses to work with discipline, in a technically oriented manner, with high productivity, and with great effectiveness, and to develop a high sense of collective mastery in production, distribution and circulation of goods, and in the organization of the cultural and social life in each basic unit, each city ward, and each village. We must also actively counter sabotage activities by the enemy and combat all negative phenomena in order to protect socialist property, boost production, and ensure order and security. The fourth plenum of the party Central Committee has pointed out important measures for solving a number of pressing ideological and organizational problems in order to carry out the resolutions of the fifth party congress and the resolution of the third plenum of the party Central Committee. All our party, people, and army, being confident and united in will and action, are resolved to change the socioeconomic situation and win even greater successes in the construction and defense of the socialist fatherland.

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ECONOMIC PLANNING, TRADE AND FINANCE

STATE MANAGEMENT OF EXPORT COMMODITIES EXPANDED

Hanoi NHAN DAN in Vietnamese 5 Jul 83 p 2

[Article by P.V.: "Reestablish Order in the Purchase and Sale of Export Goods"]

[Text] Actual Facts

Phu Khanh has many sources of export goods. There are agricultural commodities such as marble peas, sesame and peaches; forest products such as garu-wood and marine products such as swallow's nests, shrimp, cuttlefish and shark's fins. These goods constitute the province's strength and their export value has increased with every passing year. In 1982, the whole province caught 33,500 tons of marine products of which 10,350 tons were purchased by the state. However, only 94 tons of shrimp were purchased and delivered to the central level. For a long period of time, the Nha Trang Frozen Shrimp Enterprise could not purchase shrimp for use as a raw material or could purchase only shrimp of second or third quality because shrimp of first quality was funneled to the free market. "Large shrimps go away while tiny ones remain," so to speak. Large shrimps are a valuable export commodity because 1 kg is made up of two or three of them if they are big enough and of five or six of them if they are relatively small. Where did the large shrimps go? Did they vanish from the Phu Khanh area because the state-directed price was too low? Last year the [purchase] price of 1 kg of shrimp was raised by the state two- to threefold and even four- to fivefold if the value of exchange goods (nets, oil and grain) was added to it but [large] "shrimps continued to go away." These shrimps were put in the briefcases of a number of students, in the bags of certain cadres, in the gunny sacks of private traders and in automobiles and were even sneaked into locomotives and aircraft. Both the organized and free markets competed in raising the purchase and selling prices, sending them spiraling up. When the state could no longer bear with this situation, it had to let private traders take hold of the shrimp market. The free market price of 1 kg of swallow's nests or garu-wood was 10 times higher than the directed one. This prompted certain persons to organize armed expeditions to furtively take swallow's nests; on arrival in the forests, they destroyed not only rotten trees but also the living ones in their search for garu-wood; worse still, they used official cars to transport contraband goods.

New Order

Production is important but product management is no less important. To put most sources of goods into the hand of the state, Phu Khanh has firmly refrained from further raising the purchase prices of export goods and has implemented the policy of selling exchange goods amounting to 40 percent of the value of the goods to be purchased. After being strengthened organizationally, export agencies have signed contracts with fishing piers in the province, taken firm hold of four shrimp piers and exercised management over shrimp dealing households according to the new regulation on industrial and trade tax. Every pier, ward and village have signed contracts with each fishing household, settled these contracts straightforwardly and opposed all overbearing attitudes and troublesome formalities in dealing with product sellers. Simultaneously with consolidating cooperatives specialized in collecting swallow's nests, the province has considered it important to protect islands where swallows build their nests and to provide enough equipment for laborers and patrolmen in order to deny private traders the access to this type of commodity. Concerning other types of export goods, investment and exploitation plans have been drawn up and appropriate purchase measures devised. Phu Khanh has considered it more important than ever before to manage the market to prevent export goods from being illegally taken out of the province. The public security and military control forces and the industrial and trade tax service have coordinated closely to set up checkpoints along roads and mobile control units aboard trains and automobiles, to deal severely with cadres and employees lending a hand to smugglers and escorting their goods into railroad stations and on board trains, and to educate and reform inveterate smugglers.

These measures have begun to prove effective. The first 6 months of this year have seen an increase in both the amount of marine products caught and that of special products exploited while the volume of valuable goods purchased by the state has been larger than last year. Shrimp has been delivered to the refrigerating enterprise daily, at most 1 to 2 tons and at least 3 to 5 quintals. It is envisaged that the amount of shrimp and cuttlefish to be delivered this year to the central level for export will double in comparison with last year.

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ECONOMIC PLANNING, TRADE AND FINANCE

MARKET MANAGED MORE STRICTLY BY STATE TRADE SECTOR

Hanoi NHAN DAN in Vietnamese 5 Jul 83 p 2

[Article by Dam Thanh, of the Thuan Hai Provincial Party Committee Office:
"Market Stabilizing Measures"]

[Text] Over the past few months, the prices of goods in the Thuan Hai provincial market have been subjected to complicated changes characterized by an abrupt increase of 30 to 50 percent in the price of a commodity and even by a near doubling of the price of another as compared with the first half of April and the previous period. The prices of rice and meat which became stable since the middle of last year have also risen. With the price hike, speculators and smugglers have sought means to intensify their activities. This abnormal state of affairs has not been caused mainly by a serious imbalance between supply and demand. Beside the sabotage plots of the enemy, there is another reason which is the failure to closely coordinate the implementation of the new regulation on industrial and trade tax with the strengthening of market management.

The purchase of goods at their sources and the signing of contracts with producers have not yet been carried out satisfactorily. Only about 20 percent of the total amount of goods in province has been handled by the socialist trading sector while the remainder has been grabbed and manipulated by private traders. On the other hand, even among state and joint state-private enterprises and small industry and handicrafts cooperatives, there have been failures to strictly observe discipline in delivering products while some units have on their own carried out production and sought consumers for their products. The socialist trading network has not yet become strong enough. Competitive purchases and sales, price hikes and arbitrary grading and pricing of goods have occurred frequently among various trading sectors. In some locality, two or three agencies which possessed fabrics, gasoline, oil, cement and fertilizer simultaneously offered them for sale and even vied with each other in buying the same goods at the same time. A number of organs and mass organizations whose functions are not of a commercial nature have also opened refreshment bars.

Attention has not yet been paid to the education of cadres, party members and the people and many persons are still considering market management to be the job of the public security forces, tax service or control teams. Once the

public security agents and control teams were investigating speculation and smuggling cases while a number of locomotive and truck drivers were carrying goods for illegal traders. Though the amount of goods controlled by the state is still small, a number of cadres and employees of the state commercial sector have acted in connivance with traders to funnel the state goods to the outside market and sell them for a profit. Many marketing cooperatives have also acted as "agents" of private traders. In the first 4 months of this year, the restaurant and beverage sector received from the state over 1,150 tons of ice but sold 60 percent of this amount to private citizens to enable them to do business. The wives, children or relatives of many cadres in villages, wards, districts and provincial sectors have been carrying out commercial activities and even these cadres have been doing "personal" sideline business.

In view of this situation, the Thuan Hai Provincial Party Committee has promptly found out the causes and taken measures to guide the reorganization of market management. Steps have been taken to help party organizations and the people to study and understand thoroughly the party line and policy and the state law and also to carry out self-criticism of their past deeds. A primarily important measure taken by the province to strengthen market management is to seek by all means to grab 60 to 80 percent of the local sources of goods. The province has entrusted various corporation and sectors with the task of signing two-way economic contracts with farmers, fishermen and handicraftsmen on the basis of the directed prices (involving the exchange of materials destined for production or consumption) and the incentive prices. According to these contracts, the purchasing sectors will advance materials, capital, grain and consumer goods to create favorable conditions to set the minds of laborers at ease so that they may step up production. The contracts signed with peasant households and individual fishermen will be certified by people's committees at the village or ward level. The province has also assigned to state and joint state-private enterprises and to small industry and handicrafts cooperatives the task of strictly observing discipline in delivering products, byproducts and sub-standard products in accordance with the consumption contracts signed with the state commercial sector. On the other hand, the province has forbidden non-commercial units to purchase or sell goods. The registration of industrial and commercial businesses has been guided closely and carried out from the ward and village installations on up. Each private business household must have a permit and trade license and open a bank account. The prices of nine staple commodities have been fixed by the provincial pricing committee. Market control teams have regularly inspected the implementation of the policy of selling goods at the published prices. The goods put up for sale in various markets have been categorized. The socialist commercial forces have been expanded and strengthened. In addition to consolidating the existing marketing cooperatives in the mountainous region and creating new ones, the home trade, grain and marine products sectors have set up more corporations in districts. Stations in charge of purchasing export goods produced in districts have been entrusted to the districts' management. The province has also founded a number of corporations to deal especially in cigarettes, cotton, oleaginous plants, etc.

Owing to the above-mentioned positive, uniform and timely measures, Thuan Hai has won initial success in preventing abrupt price fluctuations and establishing a new order--the socialist one--on the distribution and circulation front. The prices of many goods, especially rice, have gone down. In addition to supplying goods of various kinds according to the fixed quantities, the home trade sector has acquired more goods for sale at state retail prices to cadres, manual and office workers and the armed forces and is also trying to help these forces to buy state goods to meet at least 70 percent of their consumption needs.

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AGRICULTURE

PARTY LINE TOWARD RURAL CLASSES EXPLAINED

Hanoi NGHIEN CUU KINH TE in Vietnamese No 132, Apr 83 pp 12-17

[Article by Nguyen Huy: "Understanding the Basic Party Line Toward Rural Classes in the Phase of the Socialist Transformation of Agriculture"]

[Text] We all know that although the socialist transformation of agriculture is a peaceful revolutionary campaign, it is also a fierce, complicated class struggle. Its goal is to ensure victory for socialism in the struggle between the two paths -- the capitalist path and the socialist path -- in the struggle to determine "who defeats whom?" in the new revolutionary phase. Of course, the urban bourgeois class, the landlord class, and the rich peasant class, along with the counterrevolutionary powers, strongly oppose (secretly and openly) the socialist transformation in the rural areas. The peasant class itself is also divided into strata with different economic and social positions. Therefore, they have different attitudes toward the socialist transformation of agriculture. The Party must also rely on a certain basic policy toward classes in the rural areas. V.I. Lenin wrote that "Landlords, agricultural workers, and 'peasants' are the three principal components of the rural population in all capitalist countries, including Russia. And the more explicit and clear-cut the attitude of the Social-Democrats toward the first two components (landlords and agricultural workers), the more blurred their attitude toward 'peasants' is. Therefore, our policy toward the basic matters regarding the living conditions and development of peasants is also vague." (1) Thus if our basic line toward those classes is to be scientifically based and not vague, it is essential that it be based on an analysis of the position of each class in the rural areas. F. Engels wrote, "The economic relations of a certain society are manifested above all in the form of interests" (2) and "Political economy does not study material objects but the relations among people, which ultimately come down to the relations between classes. But those relations are always tied in with material objects and manifest themselves in material forms". (3) Therefore, in the revolution in agricultural production relations one cannot but pose the question of which stratum or class will receive the greatest benefit and which stratum or class will suffer the greatest losses. The correct posing of that question, on the basis of which to correctly determine the Party's attitude and policy toward each class, is an inevitable task which is appropriate to the requirements of Marxist-Leninist doctrine regarding classes and class struggle, and is appropriate to the requirements of Marxist-Leninist political economy.

The resolution of the second session of the 16th Plenum of the Party Central Committee correctly set forth the Party's class line in the campaign to

cooperativize agriculture. The implementation of that class line was one of the basic factors which contributed decisively to the agricultural cooperativization movement in the north and enabled it to attain the desired results. In the process of the socialist transformation of agriculture in the south at present, the Party has also delineated a correct basic line in its policy toward the rural classes. That line has been clearly manifested in the directives and resolutions of the Party, especially in Directive 577CT-TW of the Political Bureau of the Party Central Committee. The correct implementation of that policy is the basis on which to solidly ensure victory in the socialist transformation of agriculture in the coming period.

According to the guidance of Marxist-Leninist theory regarding classes and the class struggle, only by studying all aspirations of each social component in the countryside is it possible to correctly and scientifically determine the degree of unity or contradiction between those aspirations, and therefore determine the attitude toward each class and the strata in each class in the rural areas in each revolutionary phase. Those united or contradictory aspirations arise from the differences in the living conditions, the economic conditions of the classes and class strata which constitute rural society. When categorizing the rural population in Russia, V.I. Lenin wrote, "The peasants are divided into three major components: the largest component, and closest to the proletarian class, are the semiproletarian or poor peasants; then come the middle peasants; and the last component, which is very small, is made up of the kulaks or the rural bourgeois class." (4) V.I. Lenin also stated that in order to advance agriculture from "small-scale, individual commodity production to a large-scale collective economy" "the proletarian class, after defeating the bourgeois class, must always correctly follow the following basic line in its policy toward the peasant class: the proletarian class must distinguish between, and clearly delineate the boundary between, the laboring peasants and the land-owning peasants, between the laboring peasants and the merchant peasants, and between the working peasants and the speculating peasants. The whole nature of socialism lies in delineating that boundary." (5)

For generations the laboring peasants were oppressed and exploited by the landlords and capitalists, so as laboring peasants they hate their oppressors and exploiters and very naturally they have become reliable allies of the working class and have confidence in the leadership of the Party. Once they have been subjected to propaganda and education, it is certain that they will follow the socialist path. But at the same time, since they are landowners and small-scale commodity producers, they could easily become merchants and speculators and spontaneously adopt capitalism. In the final analysis, the degree of their adherence to socialism or capitalism depends on economics: on the social stratum to which they belong, whether they are peasants who work for others, poor peasants, middle peasants, or well-off middle peasants. The closer their economic status is to that of the rich peasants or the rural bourgeoisie, the closer they are to capitalism socially, ideologically, and sentimentally, and the greater their tendency to spontaneously adopt capitalism. The reverse is also true.

On the basis of the situation of land ownership or the right to use land and the other important means of production, and on the basis of the most recent data of the Agricultural Department of the Central Committee, the Statistics General Department, and the Peasants' Association obtained in 1981 in 80 hamlets in 40

districts in 13 provinces of the former Nam Bo area, the peasants in the Nam Bo provinces can be categorized in the following strata:

The hired-labor peasants. That stratum accounts for 5.7 percent of the rural households. Such peasants do not own their own land but must sell their labor -- hire themselves out in agriculture -- to make a living. They have an average per-capita income of 1,050 dong per year, the lowest income level in the rural areas. That stratum, along with the poor peasants with little land, constitute the heavily exploited peasants, who lead the most miserable lives in the rural areas.

The poor peasants. That stratum accounts for 52.6 percent of the rural households. Of the poor peasant, 18.8 percent have little land (they own only 9.1 percent of the land and have an average per-capita land area of about 660 square meters) and lack the other important means of production, and so must supplement their incomes by hiring themselves out. They have the lowest per-capita income: 903 dong per year. Some 33.8 percent of them are peasant households who have relatively sufficient land but lack the other important means of production (6), especially machinery and draft animals, and must rent implements at high prices, borrow money at high interest rates, and do additional work on a hired-out basis. They also have low incomes and live lives that are among the most miserable in the rural areas.

The middle peasants. That stratum accounts for 22.5 percent of the households in the rural areas.(7) They are peasants who have sufficient amounts of land and the other important means of production, do not have to farm additional land or hire themselves out. The numbers who hire themselves out and who hire other peasants are about equal. They have a sufficient, relatively stable standard of living based entirely on their own labor.

With regard to all three strata of peasants considered together, most are good peasants who strictly observe the lines and policies of the Party and state. According to the investigatory data, the poor peasants close to the middle peasant stratum (the 33.8 percent of the peasants who have sufficient land but lack the other important means of production) and the middle peasants account for 56.3 percent of the rural households but account for 63.4 percent of the disabled veterans, 62 percent of the active-duty troops, and 73.3 percent of the Assault Youth.

The well-off middle peasants. That stratum accounts for 12 percent of all rural households, but own 23 percent of the land. They have a per capita average of 3,623 square meters of land, 24.3 percent of the water buffaloes, 35.9 percent of the large tractors, 59.1 percent of the tillers, 36.2 percent of the rice huskers, 38 percent of the sugar processing machines, and 52.1 percent of the rice threshers. It is the peasant stratum which has much land and many production means and must hire workerrs to work the land, the machinery, and the draft animals. Those peasants have an annual per-capita income of 2,638 dong, an income level two or three times higher than those of the hired-labor peasants, the poor peasants, and the middle peasants. They are well-off but rely principally on their own labor.

The rich peasants and the other bourgeoisie. Those strata combine to form the bourgeois class in the rural areas. That stratum accounts for only 2.4 percent

of the households and 1 percent of the labor, but owns 7.1 percent of the land and has a per-capita average of 5,688 square meters and has more than 50 percent of the machinery in the rural areas (58.3 percent of the large tractors, 22.3 percent of the tillers, 50.4 percent of the rice huskers, 52 percent of the sugar-processing machinery, and 15.3 percent of the rice threshers). They are rich (they have an average per-capita income of 7,506 dong per year, six to nine times greater than the incomes of the hired-labor peasants, the poor peasants, and the middle peasants) and their income is derived primarily from capitalist exploitation.

Because of the specific conditions of Vietnam, in order to "clearly delineate the boundaries between the laboring peasants and the land-owning peasants, between the laboring peasants and the merchant peasants, and between the working peasants and the speculating peasants," as stated by V.I. Lenin, we can, while also basing ourselves on Lenin's method of categorizing the peasant strata, subdivide the classes in the Nam Bo rural areas in accordance with the above structure. The actual situation has proved that differences with regard to the economic conditions -- and therefore the sentiment and attitude -- of the above-mentioned strata is an objective truth. That categorization, which uses the stratum of laboring peasants which has sufficient land and the other means of production and lives entirely from its own labor -- the middle peasant stratum -- as the standard of comparison, can create the scientific basis for determining the Party's correct "basic line in the policy toward the peasant class" (V.I. Lenin).

That social structure in the Nam Bo rural areas is, of course, not a static structure. It is a dynamic structure. The ratio and composition of each stratum lay within the process of constant change, sometimes slow and quiet, sometimes noisy and evident, in accordance with the law of class differentiation of the small-peasant economy and the law governing the emergence of injustice and poverty in the rural areas. If that situation is to be ended, there is only one path -- that of eliminating the system of the private ownership of land and the other important means of production in agriculture, as well as private ownership by the laboring peasants. In other words, the only path is advancing the peasants to socialism by means of cooperativization. Therefore, if cooperativization is to be carried out victoriously and satisfactorily it is necessary to determine the correct basic line in the policy toward the classes in the rural areas in general and with regard to the laboring peasants in particular. As was true in the cooperativization of agriculture in the north in the past, in the present cooperativization of agriculture in the south our Party has set forth a similar line. Specifically, our Party has set forth the missions of doing a good job of resolving the land problem, eliminating all exploitation brought about by the continued feudal commerce in land, eliminating exploitation by the ownership of land and the other means of production by the rich peasants and the other bourgeoisie in the rural areas, dividing such land owned by the rich peasants and the other rural bourgeoisie among the peasants who have little or no land, carrying out the socialist transformation of the industrial and commercial activities of the rural bourgeoisie, carrying out a land adjustment among the laboring peasants, campaigning for the well-off rich peasants to cede land which they cannot work but which must be worked by hired labor to peasants with little or no land, organizing the peasants into marketing and credit cooperatives and into production solidarity teams, production collectives, and agricultural production collectives, and gradually advance the peasants to socialism.

We must endeavor to prove the correctness of that Party line. The actual situation has demonstrated that in places which strictly implement that Party line the agricultural cooperativization movement develops strongly, and that in places or at times when it is not implemented correctly the agricultural cooperativization movement encounters many difficulties.

In the above structure, we see that the hired-labor peasants and the poor peasants account for nearly 60 percent of all rural households. They were the most miserable stratum before the revolution and benefitted most, economically and politically, from the revolution. But at present they are still the peasants who are experiencing the most difficulties in their lives, and are therefore the peasants who will benefit most from the socialist transformation of agriculture. At the same time, they are naturally the peasants who are most positive in implementing the Party's policy and line of the socialist transformation of agriculture. Furthermore, they are the most miserable, most impoverished peasant strata, so it is necessary to pay attention to helping them economically so that they can have favorable conditions for participating in and consolidating the building of the new economic organization.

The middle peasants of all strata are the reliable, permanent allies of the working class and most of them owe their rise to the revolution, the hired-labor peasants, and the poor peasants. The middle peasants and the well-off middle peasants are workers with revolutionary aspects, and they are mainly positive. Along with the hired-labor peasants and the poor peasants, they enthusiastically participated in the revolution, under the leadership of the Party, during the past several decades. At present, and in the future, by means of their actual experience they are and will continue to be as one with the Party, be grateful to the Party, and follow it to socialism.

In the socialist transformation of agriculture, the middle peasants are not only not harmed economically but benefit from the superiority of collective production in comparison to individual production and from the social stability of the collective production system, in which they are no longer the "most lucrative prey" of the class differentiation -- a differentiation which always divides them into two extremes, with the majority at the poverty extreme. Therefore, in general the middle peasants are also a stratum with a positive attitude toward the cooperativization of agriculture. However, because of their economic circumstances, they will only participate in the new economic organization "one hundred percent" only when they are content with their present life and clearly realize the superiority of the collective way of life at present and in the future.

The well-off middle peasants are also a laboring peasant stratum. The socialist transformation of agriculture is not contradictory to their basic interests. However, because they have economic status and relatively rich living standards, and to some degree because they rely on hiring workers, although they approve of the socialist transformation in the rural areas they are not entirely positive toward it, and some of them are resistant and have a wait-and-see attitude. Because they are a laboring peasant stratum, we absolutely must not be impatient toward their hesitancy. With regard to their vacillation, we can apply only democratic and educational measures, and absolutely must not apply compulsive

and critical measures. With regard to the land they must work by hiring workers, it should not be made a matter of "cutting off the tail of the bourgeoisie": they can only be encouraged to cede the land so that it can be divided among peasants with little or no land in the spirit of "sharing rice and clothing," so that they can advance together to socialism. A matter that must be stressed is that it is necessary to encourage their revolutionary spirit and create advantageous conditions for them to participate in the collective economic organizations, in both the low forms and the high forms, in accordance with the principles of voluntariness, mutual benefit, and democratic management, in order to bring into play their positive nature in building and consolidating the collective economic organizations.

If the object of the bourgeois democratic revolution was the landlord class, in the socialist revolution phase the object of the revolution is the bourgeois class in general, and especially the rural bourgeois class: the rich peasants and the other bourgeoisie in the rural areas.

Rich peasants own large amounts of land and the other important means of production. Although they participate directly in labor, their principal source of income is based on hiring and exploiting workers or hiring our agricultural machinery. Sometimes they also engage in industry and commerce, lend money at usurious interest rates, and make use of other forms of exploitation. The other rural bourgeoisie derive their main incomes from capitalist-style industry and commerce, and often also lend money at usurious rates and use the other forms of exploitation.

In the post-liberation south, although the ratio of rich peasants and the other rural bourgeoisie in comparison to the total number of rural households is very small (4 percent or less, depending on the area), their economic and social strength is much greater. That strength is multiplied by their (natural) alliance with the urban bourgeois class and with the spontaneous forces among the middle peasants, especially the well-off middle peasants, and even with the degenerate cadres and party members in the rural areas. The south has been liberated for more than 8 years. But because the Party's directive regarding the resolution of the land problem has not been implemented fully, strictly, and correctly, a considerable number of peasants still have little or no land and must continue to hire themselves out. Many of them are still exploited by the rich peasants and the other rural bourgeoisie in many forms and by means of many schemes (direct exploitation of their labor, exploitation by means of control of tractors, rice mills, and agricultural product processing machinery, exploitation by means of buying selling -- even such extremely cruel methods as buying rice and subsidiary food crops still in the growing stage -- hiring child labor, lending money at usurious interest rates, etc.). The exploiters also take advantage of their on-the-spot relations with the peasants to compete with the state in buying agricultural products. At the same time, on the basis of their economic strength they endeavor to exchange state materials with the peasants, speculate and hoard, and upset the market. In actuality, the rich peasants and the other rural bourgeoisie have played dominant economic and social roles, to varying degrees, in many rural areas in the south, especially in the (former) Nam Bo provinces. That has been a serious impediment to the socialist transformation of agriculture. In view of that situation, in order to

facilitate the socialist transformation of agriculture it is necessary to eliminate the rich peasant economy and use, limit, and eventually eliminate, the economy of the other rural bourgeoisie.

To eliminate the rich peasant economy is to "eliminate the capitalist commerce of the rich peasants and the rural bourgeoisie with regard to land" (Directive No 577 CT-TW). That means removing from them the surplus land they must work by hiring labor, by means of the voluntary contribution of land or by requisition purchasing (by the municipal or provincial people's committees, at a price equal to the normal output of the main crop over a period of 2 years, to be paid gradually over a period of 10 years). After their surplus land is contributed or requisition-purchased, the rich peasants and the other rural bourgeoisie will retain an amount of land equal to the average per-capita land ownership in the village. With regard to the rich peasants and the other rural bourgeoisie who have political problems or oppose the policies of the Party and state, the land they hold in excess of the average per-capita holding in the locality (village) will be confiscated.

In order to avoid losses in production, with regard to the capitalist industrial and commercial activities in the rural areas, as well as commercial activities by the rich peasants and the other rural bourgeoisie with regard to machinery and draft animals, there must first of all be a policy regarding their use. But we must immediately implement the policy of restricting and transforming them. The application of the restricting policy must be based on the principle of "mutual benefit": one side consists of the laboring peasants, the collective economic organizations, and the socialist state, and the other side consists of the rural bourgeoisie. Although both sides benefit, we must of course cause the benefit of the bourgeoisie to serve the interests of the new economic organizations and the socialist state. Thus the policy of restricting them is included in the utilization policy. That policy can be carried out by means of economic contracts, with rational stipulations regarding prices, wages, and the spoilage ratio, quantity, and quality of products. The bourgeoisie are strictly forbidden to exert pressure by raising commercial prices, increasing the spoilage rate, or reducing the amount paid for products, reducing the quality of processed products, etc.

The Party's policy of combining the socialist transformation of agriculture with the socialist transformation of private capitalist industry and commerce must be implemented, but along with the cooperativization of agriculture, it is also necessary to carry out the socialist transformation of private capitalist industry and commerce in the rural areas. It is necessary to absolutely eliminate the capitalist element in commerce. At the same time, it is necessary to carry out the transformation of private capitalist industry. That may be accomplished by means of state capitalism and by the collective economic organizations, from the low level to the high level. With regard to state capitalism, it is first of all and above all necessary to apply the form of joint private-public operation and profit sharing. It is also possible to apply the transformation forms at the lowest level, such as contracting out and agencies. The essential matter is to, depending on the specific situation in each area, apply appropriate transformation forms in order to ensure that the requirements of socialist transformation are attained and to maintain and develop production.

At the same time, it is necessary to pay attention to encouraging and assisting people who are small merchants or engage in private handicraft or service occupations to participate in the production collectives or agricultural cooperatives. Of course, the principles of voluntariness, mutual benefit, and democratic management must also be observed in this case. We should not hastily eliminate the nonagricultural activities of such people which are still needed by the rural people.

The actual situation in the south proves that in a country which is advancing to socialism on the basis of a semicapitalist society and a backward agricultural economy, the elimination of the vestiges of the feudal production relations is not simple and easy. Therefore, while carrying out the cooperativization of agriculture it is also necessary to pay attention to guarding against and preventing the reemergence of landlords in forms which are in fact feudal exploitation but which are camouflaged and sophisticated.

While manifesting revolutionary humanitarianism in implementing the Party's class line, it is necessary to pay attention to transforming the thought of the rich peasants and the elements of the other exploiting classes in the rural areas, and to helping them participate at an early date in the collective and joint public-private economic organizations.

Along with implementing the basic line of the policy toward the class strata in the rural areas, as discussed above, it is also necessary to determine and implement the basic line of the organization work.

On the basis of the class analysis presented above, from the point of view of promoting the cooperativization movement it is necessary to, on the basis of consolidating the party bases and strengthening the correct leadership of the basic-level party organizations in the rural areas, cultivate and build laboring peasant solidarity, centered on the loyal forces among the laboring peasant strata, especially the hired peasants, the poor peasants, and the middle peasants (8), and make that solidarity bloc of the laboring peasants the firm foundation of the socialist revolution in the rural areas, positively build low-level and high-level new economic organizations, gradually persuade all peasant masses to participate in the new economic organizations, and complete the socialist transformation of agriculture in Nam Bo during the first half of the 1980's, as called for by the resolution of the Fifth Party Congress.

With regard to building a corps of key cadres for the new economic organizations, we must rely mainly on training collective members and cooperative members who are positive, loyal, and capable, so that they can become management and technical cadres of the production collectives and agricultural production cooperatives. They should be selected from among the laboring peasant strata, including the well-off middle peasants, but mainly from the hired-labor peasants, the poor peasants, and the middle peasants. If they are party members they can belong to any class stratum, provided that they strictly implement the lines and policies of the Party and state, including the line and policy of the socialist transformation of agriculture. If they have managerial ability and the confidence of the collective and cooperative members, they may be elected to serve as leadership cadres or occupy important positions.

(Of course, that can only be achieved under the conditions of all party members carrying out all lines and policies of the Party and state. Party members who do not implement the lines and policies of the Party and state, especially the line and policy of the socialist transformation of agriculture, must be expelled from the Party, even though they have experienced criticism and self-criticism.) As regards rich peasants, if they approve of and strictly carry out the Party's line and policy of the socialist transformation of agriculture, and voluntarily agree to participate in the new economic organizations, they may also be admitted into those new economic organizations. However, in order to have time to challenge and cultivate them under actual conditions, during the immediate future they should not be assigned leadership positions in the new economic organizations.

The Party's basic line in its policy toward the rural classes in the process of agricultural cooperativization must be fully applied. It must also be tied in with the application of the Party's lines and policies in the over-all socialist revolution in the south. It is necessary to promptly suppress the sabotage activities of all reactionary forces toward the socialist transformation of agriculture specifically and the socialist transformation of society in general. Therefore, if we do not promptly suppress their sabotage activities the agricultural cooperativization movement cannot be carried out favorably, wholesomely, and solidly.

FOOTNOTES

1. V.I. Lenin: "On the Worker-Peasant Alliance," Su That Publishing House, Hanoi, 1963, p 72.
2. K. Marx, F. Engles: "Selected Works," vol. 1, Su That Publishing House, Hanoi, 1962, pp 759, 596.
3. Loc. cit.
4. V.I. Lenin: "Marx, Engles, and Marxism," Progress Publishing House, Moscow, 1970, pp 388-389.
5. V.I. Lenin, op.cit., p 415.
6. Some 60 percent of the peasant households belong to the three categories of the Central Agricultural Department's survey.
7. The remaining 40 percent of the peasant households belong to the three categories above.
8. The past situation in Hungary demonstrated that very clearly. During the first year of the cooperativization of agriculture (1979), 70 percent of the cooperative members were hired-out peasants and most of the rest were poor peasants. When the counterrevolutionary revolt occurred (October 1956) the rightist revisionists temporarily gained political power and endeavored to

sabotage the cooperative system, with the result that 60 percent of the cooperatives disbanded. In 1957, of the households remaining in the cooperatives, the hired-out peasants and the poor peasants accounted for 81 percent of the total (hired-out peasants, 35 percent; poor peasants, 26 percent). Clearly, the peasant strata which participated most positively in the cooperatives were also the most stalwart in maintaining the cooperative system. Source: "Statistical Handbook, 1959," Russian-language version, p 117.

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CSO: 4209/474

AGRICULTURE

LAND ADJUSTED, COOPERATIVIZATION UNDERWAY IN NAM BO PROVINCES

Hanoi NHAN DAN in Vietnamese 29 Jun 83 p 1

[Text] The agricultural cooperativization movement in South Vietnam is being further developed. In the first 5 months of 1983, the Nam Bo provinces trained over 34,000 cadres to meet the movement's requirements; these cadres were entrusted with the task of motivating and organizing farmers into various forms of collective production and of managing production in basic installations.

As of May, the provinces in Nam Bo had adjusted 16,709 more hectares of land and allotted them to farmers who owned no land or did not have enough land (755 hectares adjusted in the eastern Nam Bo provinces and 15,953 hectares adjusted in the Mekong Delta provinces). However, this result was not so great as that obtained in the first 6 months of 1982 because land adjustment was not closely coordinated with the building and consolidation of party bases.

In the first 5 months of this year, the provinces in Nam Bo also set up a further 2,889 production solidarity teams--raising their total number to 27,174 of which about one-third carried out activities satisfactorily; the provinces set up 4,096 more production collectives--raising their total number to 13,571 including 10,608 ones which applied the system of product contract with laboring groups and individual laborers--and also built 38 more cooperatives, raising their total number to 227. The task of organizing production collectives and cooperatives is going on thanks to the close guidance of party committees at different echelons in accordance with the spirit of Directive No 19 of the Party Central Committee Secretariat and also owing to the presence of a contingent of cadres which had been trained in time to meet the movement's requirements. However, a recent inspection has revealed that only about more than 34 percent of the total number of production collectives have good qualifications because they have thoroughly applied the land collectivization policy, carried out distribution evenly, increased production, fully used labor and land, applied technical innovations in production and properly implemented the system of product contract with laboring groups and individual laborers. As a result, the income of collective members has increased and the payment of taxes to the state has been fulfilled. There remain about 65.8 percent of the total number of production collectives which are not yet fully qualified and which must be strengthened energetically and guided more closely.

AGRICULTURE

BRIEFS

HAI HUNG GRAIN PROCUREMENT--As of 2 July, Hai Hung Province has delivered to state granaries 89 percent of the total amount of grain to be collected in 1983--an increase of 18,305 tons over the same period last year. The three districts of Tu Loc, Kim Thi and Kim Mon have fulfilled 100 to 100.4 percent of the total yearly grain procurement norm and 191 cooperatives have fulfilled both the grain procurement norm for the 5th-month and spring crop and that for the whole year 1983, 10 to 15 days ahead of the schedule set by the province. Tu Loc is a district which has obtained the highest output and which has, for the current 5th-month and spring crop, delivered 17,475 tons to state granaries. If its grain contribution from the 1982 10th-month crop was also taken into account, the total yearly grain procurement by Tu Loc would come to 26,729 tons representing an excess of 0.4 percent over the assigned norm and ranking Tu Loc as the district with the largest amount of grain delivered to state granaries in the province. For the current grain procurement stage, Kim Thi and Kim Mon Districts drew up a [grain] allotment plan at an early time and assigned a grain procurement norm to each production units; to close the 1983 grain procurement year, each of these districts has delivered to state granaries between 19,000 and 20,000-odd tons of paddy, thus fulfilling 100 to 100.3 percent of the grain procurement norm assigned. On reckoning, it has been found that each cultivated hectare in these two districts has yielded 1,086 to 1,133 kgs of grain to the state. [Text] [Hanoi NHAN DAN in Vietnamese 5 Jul 83 p 1] 9332

CSO: 4209/469

HEAVY INDUSTRY AND CONSTRUCTION

ENERGETIC MEASURES TAKEN TO SAVE ELECTRICITY IN HO CHI MINH CITY

Hanoi NHAN DAN in Vietnamese 5 Jul 83 p 1

[Text] At the beginning of this year, the Ho Chi Minh Municipal People's Committee issued a directive on the need to use electricity most sparingly in daily activities in order to concentrate power on production. This movement has been welcomed by the majority of people, state organs and units. However, over the past few months, a number of units such as shops, hotels and theaters have used electricity wastefully and many large installations have resorted to subtle tricks to steal electricity to produce ice illegally. During two rounds of inspection, the municipal electric sector has already detected 1,704 cases of electricity theft, drawn up the relevant official reports, envisaged the collection on the state's behalf of belated payments for the use of more than 10,494,000 kilowatt-hours, and dealt with 700 other cases.

The municipal trade-union federation recently launched a drive among its members to take the lead in the electricity saving movement and to participate in detecting and opposing negative practices in using and distributing electricity. Trade-union locals and those in wards and villages have urged youth and trade union members to register their pledge to save electricity: Each household will have to save 5 to 10 kilowatt-hours of electricity per month. In comparison with February 1983, shops, hotels and theaters will reduce their electric consumption by 20 to 30 percent and administrative and materially unproductive organs will save their daily electric consumption by 30 to 50 percent. It is necessary to resolutely uncover installations which use electricity illegally and the various precincts and districts and the municipality have set up inspection teams composed of workers to control the use of electricity. The Electricity Service has completed the compilation of electricity consumption rates for all categories of consumers.

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HEAVY INDUSTRY AND CONSTRUCTION

BRIEFS

DIESEL ENGINES--Machine building in Vietnam supplies more than half the country's requirements. One of the largest enterprises in this branch--the Hanoi Tran Hung Dao Machine Shop--puts out a most varied assortment of products: from instruments and spare parts to diesel motors and mechanical pumps, which are widely employed on the fields of the country. In particular, the output of 12 HP diesels is growing ever greater. In the first quarter of this year alone more than 300 have been produced. [Text] [Moscow EKONOMICHESKAYA GAZETA in Russian No 25, Jun 83 p 22]

CSO: 1823/196

LABOR

GOOD RESULTS OBTAINED FROM CONGRESSES OF TRADE UNION LOCALS

Hanoi NHAN DAN in Vietnamese 29 Jun 83 pp 3, 4

[Article by Vu Dinh Tien, of the Vietnam Confederation of Trade Unions:
"Congresses of Trade-Union Locals in Ho Chi Minh City"]

[Text] To date, 1,400 production installations out of a total of 1,538 in Ho Chi Minh City have held congresses from trade-union cells to trade-union locals including 21,210 trade-union cells and involving 378,712 trade union members--93 percent of their total number--who attended the congresses.

At the congresses held from trade-union cells to trade-union locals, the right to collective ownership has been developed and trade union members together with manual and office workers have discussed many realistic and specific measures aimed at overcoming difficulties and carrying out the 1983 state plan successfully.

The trade union congress of production installations of the textile sector has discussed measures to ensure the self-supply and self-manufacture of spare parts, to raise the automation level and to restore 428 looms; on this basis, the Thanh Cong, Thang Loi, Phuoc Long, Viet Thang and other textile mills have managed to surpass the cloth output norm set by the state by more than 10 million meters. In execution of the trade union congress resolution, manual and office workers of the Viet Hang, Dong A. Thanh Cong and Phuoc Long textile mills have overfulfilled the plan norm for the first 6 months of 1983 by 2 to 5 percent, thus creating a favorable impetus to carry out the 1983 yearly plan successfully.

At the trade union congress of production installations of the communications and transportation sector, after carrying out a struggle to criticize negative manifestations, manual and office workers have discussed measures to achieve the following targets set by the congress: Raising the operational level of locomotives to between 80 and 95 percent, lowering the transportation loss rates from 2 to 1.25 percent for rice and from 2.5 to 1.7 percent for paddy and reducing the oil wastage from 20 down to 15 kgs for every 1,000 tons/kms.

At the congress of trade-union cells, 95 percent of the total number of drivers have pledged to refrain from transporting traders and goods illegally and to ensure transportation safety.

As a result of the congress of trade-union locals, 26 units out of a total of 32 have overfulfilled the transportation plan norm for the first 6 months of 1983 and the entire transportation sector in the city has achieved 58 percent of the 1983 plan norm for tonnage and 52 percent of its norm for tons/kilometers. No instance of negative practice was found among drivers of Transportation Enterprises No 3 and 5 during the months of April and May.

In view of the difficulties with electric supply, the trade union congress of production installations of the electricity sector has discussed measures to provide enough power for production and daily activities by maintaining thermo-electric generating sources and fully exploiting the hydroelectric ones, by raising the output of diesel machines of all types, by reducing the power wastage rate by 0.5 to 1 percent and the electric use rate by 0.5 to 1 percent as compared with the plan, by reducing the investment wastage by 1 to 2 grams [as published] for each kilowatt-hour of electricity, by ensuring a safe and continuous supply to consumers, by opposing negative practices within the electricity sector and by struggling against electricity theft.

The congress of trade-union locals in the trade sector has discussed measures to reorient commercial activities by shifting 70 percent of wholesale to 70 percent of retail sale while retaining only 30 percent of wholesale. The distribution formula will be adjusted by setting up many more mobile sale teams and sending them to enterprises, hospitals and state organs; meanwhile, the task of purchasing goods and taking hold of their sources will be strengthened. At the congress of trade-union cells, after criticizing negative manifestations, more than 90 percent of the total number of salesclerks have registered their pledge to struggle against negativism and to keep shops in a civilized manner. After the congress, the general merchandise sector has opened 100 more sale places in enterprises, state organs and schools; the grain sector has taken out more than 7,000 tons of rice and sold them in enterprises, state organs and laboring people's residential areas; the fuel sector has sold fuel to 150 families at their requests by telephone and has also sold it to other households on the basis of their household registration books. Developing the success of the trade union congress, the trade sector has decided to sell during the second quarter of 1982 [as published; 1983 instead] 14 more types of merchandise to manual and office workers who will be allowed to buy each--apart from the 9 categories of goods already supplied--from 170 to 210 dong worth of [the new] merchandise each month at the commercial business prices which are lower than the market ones.

During the congresses of trade-union locals, 748 units have registered their pledge to fulfill the 1983 plan norms 2 to 30 days ahead of schedule and to carry out 325 projects to greet the Fifth National Congress of Trade Unions. Over the past 4 months, there were 450 valuable innovations which brought about a profit of 1,136,000 dong.

The trade union congresses have been held from trade-union cells to trade-union locals in a broadly democratic manner. At these congresses, criticism and self-criticism have been made concerning five tasks of trade union members, 80 percent of the total number of trade union members have registered their pledge

to try to become good members and 70 percent of the total number of trade-union cells have registered their pledge to become progressive ones. At these congresses, trade union members have chosen and elected 38,230 heads and deputy heads of trade-union cells, 9,890 members of executive committees of trade-union component cells and 9,486 members of executive committees of trade-union locals. Almost all the trade union cadres elected by trade union members are young workers who are zealous for the trade union activities, who possess some cultural and technical knowledge, who are trusted by the masses and 40 percent of whom are female cadres. The number of party members participating in trade-union leading organs at various echelons has also increased one- to five-fold as compared with the past.

As a result of the organizational consolidation through the recent round of congresses of trade-union locals, favorable conditions have been created to enable trade-union organizations to move forward and conduct the revolutionary mass movement aimed at successfully achieving the socioeconomic goals of the city.

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